

FILED
09-16-2020
John Barrett
Clerk of Circuit Court
2020CV005478
Honorable Carl Ashley-33
Branch 33

STATE OF WISCONSIN CIRCUIT COURT MILWAUKEE COUNTY

JEL Manufacturing LLC
3073 S. Chase Ave., Building 35
Milwaukee, WI 53207,

Plaintiff,

v.

Case No.
Case Code: 30303 – Other Contracts
30701 – Declaratory Judgment

Selective Insurance Company of the Southeast
900 E. 96th Street, Suite 400
Indianapolis, IN 46240,

Defendant.

SUMMONS

THE STATE OF WISCONSIN

To each person named above as a defendant:

You are hereby notified that the Plaintiff named above has filed a lawsuit or other legal action against you. The complaint, which is attached, states the nature and basis of the legal action.

Within forty five (45) days of receiving this summons, you must respond with a written answer, as that term is used in Chapter 802 of the Wisconsin Statutes, to the complaint. The court may reject or disregard an answer that does not follow the requirements of the statutes. The answer must be sent or delivered to the court, whose address is 901 N. 9th Street, Milwaukee, Wisconsin 53233, and to Fox, O'Neill & Shannon, S.C., Plaintiff's attorneys, whose address is 622 North Water Street, Suite 500, Milwaukee, Wisconsin 53202. You may have an attorney help or represent you.

If you do not provide a proper answer within forty five (45) days, the court may grant judgment against you for the award of money or other legal action requested in the complaint, and

you may lose your right to object to anything that is or may be incorrect in the complaint. A judgment may be enforced as provided by law. A judgment awarding money may become a lien against any real estate you own now or in the future, and may also be enforced by garnishment or seizure of property.

Dated this 16th day of September, 2020

FOX, O'NEILL & SHANNON, S.C.

Electronically signed by Attorney Lauren E. Maddente

By: _____

LAUREN E. MADDENTE
State Bar No. 1101188

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COMPLAINT

NOW COMES the Plaintiff, JEL Manufacturing LLC, by its attorneys, Fox, O'Neill & Shannon, S.C., by Lauren E. Maddente and as and for its causes of action against the Defendant, Selective Insurance Company of the Southeast, respectfully alleges and shows to the Court as follows:

PARTIES

1. The Plaintiff, JEL Manufacturing LLC (hereinafter “JEL”) is a domestic limited liability company, whose principal place of business is located at 3073 South Chase Avenue, Building 35, Milwaukee, Wisconsin 53207. JEL manufactures various types of concrete plants.

2. The Defendant, Selective Insurance Company of the Southeast is a foreign insurance corporation, whose principal place of business is located at 900 E. 96th Street, Suite 400, Indianapolis, Indiana 46240. Selective Insurance Company of the Southeast (hereinafter “Selective” or “Defendant”) is an insurance broker.

FACTUAL BACKGROUND

3. JEL leases an industrial complex located at 3073 S. Chase Ave., Milwaukee, Wisconsin (the “Premises”) where it performs its manufacturing operations.

4. JEL’s landlord supplies electrical power to the Premises.

5. JEL uses, among other pieces of equipment, a large industrial crane (the “Crane”) in performing its business operations.

6. The Crane is owned by JEL’s landlord.

7. The Crane utilizes a radio control system (the “Radio Control System”) consisting of, among other parts, a transmitter and receiver with output boards.

8. Once the Radio Control System is activated, electrical charges accelerate into electromagnetic radio waves which are transmitted to the Crane’s receiver. The electrical motors operate in different directions causing the physical motion of the Crane.

9. Without the Crane, JEL’s productivity decreases drastically as it must rely on employees to physically move all of the products and equipment that would otherwise be moved much more quickly, by the Crane.

10. On March 30, 2020 the Crane stopped functioning and was rendered unusable to JEL due to the Crane’s Radio Control System failing to operate.

THE POLICY

11. At all relevant times, JEL had a policy of insurance written by Selective under Policy Number S241635100 (the “Policy”) which provided coverage for various losses including for loss of Business Income, Extra Expenses and Spoilage. A true and correct copy of the Policy is attached hereto as Exhibit A.

12. The Policy's Systems Power Pac endorsement (the "SSP Endorsement") provides, in pertinent part:

SECTION – I

The following is added as an Additional Coverage to the Causes of Loss – Basic Form, Broad Form or Special Form.

2. Unless otherwise shown in a Schedule, the following coverages also apply to the direct result of an 'accident.' These coverages do not provide additional amounts of insurance.

d. Service Interruption

(1) Any insurance provided *for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by the interruption of utility services.* The interruption must result from *an 'accident' to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, propane gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of 'covered equipment' except that it is not Covered Property.*

(2) Unless otherwise shown in a Schedule, we will not pay for any loss of Business Income you sustain that results from the interruption of utility services during the first 24 hours following the 'accident.' However, if a deductible is shown in the Systems Power Pac Deductible Endorsement as provided for in **SECTION – II, Paragraph A.**, or if the 'period of restoration' begins more than 24 hours after the time of the direct physical damage for Business Income, then that deductible or time period will apply instead of the 24 hours provided for in this paragraph.

(3) The most we will pay in any 'one accident' for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense or Spoilage, except that if a limit is shown in a Schedule for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

e. Business Income and Extra Expense

Any insurance provided under this coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a Business Income deductible is shown in the Systems Power Pac Deductible Endorsement as provided for in **SECTION – II**, Paragraph A., then as respects Equipment Breakdown coverage, the ‘period of restoration’ will begin immediately after the ‘accident,’ and the deductible shown in the Deductible Endorsement will apply.

The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in a Schedule.

(emphasis added).

13. The SSP Endorsement provides the following definition for “covered equipment”:

a. **“Covered equipment”** means unless otherwise specified in a Schedule, Covered Property:

- 1) *That generates, transmits or utilizes energy;* or
- 2) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

14. The Policy’s Building and Personal Property Coverage Form provides, in pertinent part:

A. Coverage

We will pay for direct physical loss or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section **A.1.**, and limited in **A.2.** Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. **Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) *Fixtures, including outdoor fixtures;*

- (3) ***Permanently installed:***
 - a) ***Machinery; and***
 - b) ***Equipment;***
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - a) Fire-extinguishing equipment;
 - b) Outdoor furniture;
 - c) Floor coverings; and
 - d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering.

(emphasis added).

15. The Policy's Business Income (And Extra Expense) Coverage Form provides, in pertinent part:

2. Extra Expense

a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.

b. Extra Expense means necessary expenses you incur during the 'period of restoration' that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

(1) Avoid or minimize the 'suspension' of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

(2) Minimize the 'suspension' of business if you cannot continue 'operations.'

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

(emphasis added).

THE CLAIM AND THE DENIAL

16. On March 30, 2020, JEL's President, Matthew Gladen ("Gladen") contacted JEL's insurance broker, Anna Thomas ("Thomas") of BWO Insurance, to make a claim under the Policy as a result of the damage to the Crane. The Claim was later identified with the following number: 22095860 (the "Claim").¹

17. Thomas advised Gladen that she would inform Selective of the Claim the following day.

18. Gladen was subsequently advised that the Claim was referred to the Hartford Steam Boiler Inspection and Insurance Company ("HSB") for investigation.

19. According to the Policy, HSB "is an equipment specialist working with Selective Insurance to provide equipment related to inspection services." See Ex. A, p. 6.

20. On April 1, 2020, Gladen spoke with Michele Hodges ("Hodges"), Senior Claims Service Representative of HSB, and informed her that JEL was incurring extra expenses as a result of having to rent a manual lift and pay overtime to employees to manually move the product that would otherwise be moved by the Crane.

21. HSB initiated an investigation, including a site visit to the Premises, to investigate the damage to the Crane.

22. Gladen engaged Zenar Service Group ("ZSG") to further investigate.

23. Throughout the month of April, 2020, Hodges corresponded with Gladen regarding the cause of loss and damages incurred as a result of the damage to the Crane.

¹ For clarity, the Plaintiff initially sought insurance coverage for the cost of repairing the Crane in addition to the extra expenses incurred as a result of damage to the Crane. This action pertains only to the loss of income and extra expenses incurred by Plaintiff as a result of damage to the Crane.

24. On July 6, 2020, ZSG opined that the damage resulted from a blown resistor or circuit board within the Radio Control System's circuit board preventing the receiver from communicating with the transmitter.

25. On July 6, 2020, Hodges called Gladen to inform him that "the blown resistor/diode or circuit board within the radio receiver *meets the definition of a covered accident*" and that HSB would "further review the resulting extra expenses incurred."

26. On July 6, 2020 Hodges sent Gladen an email indicating that while there was not coverage for the "actual crane control equipment," JEL's "extra expense loss is covered." Further, that a Damage Specialist would contact Gladen to review the information relative to the extra expense loss. A true and correct copy of the July 6, 2020 email is attached hereto as Exhibit B.

27. Soon thereafter, Gladen began communicating with Andrew Starling of HSB regarding JEL's loss of income and extra expenses.

28. Despite determining, on July 6, 2020, that the Policy provided coverage for extra expenses incurred, on July 22, 2020, Hodges sent a letter to Thomas Schaemens ("Schaemens") of Selective indicating that "the resulting extra expenses incurred to manually move product through the plant and overtime costs does not meet the conditions under the insured's Service Interruption coverage." A true and correct copy of the July 22, 2020 letter is attached hereto as Exhibit C.

29. On July 24, 2020, Schaemens sent a letter to Gladen in which he quoted excerpts from the Policy and stated that "the resulting extra expenses do not meet the definition under the Service Interruption coverage." A true and correct copy of the July 24, 2020 letter is attached hereto as Exhibit D.

30. Confused as to why Selective was abruptly denying the Claim it had previously confirmed was covered, Gladen contacted Thomas, who reached out to Schaemens for an explanation.

31. On July 30, Schaemens informed Thomas in an email, the content of which Thomas emailed to Gladen (the “Explanation Email”), that “during the final review process it was discovered that the crane was not insured owned and the crane does not meet the definition of a utility service that would trigger coverage for extra expenses. The insured would have incurred the extra expenses while the crane was out of service so HSB initially accepting liability did not cause the insured to incur any expenses due to the mistake.” A true and correct copy of the Explanation Email is attached hereto as Exhibit E.

32. Following further negotiations, on August 12, 2020, Schaemens sent Gladen additional correspondence (the “Disclaimer”) stating:

Per the investigation completed by Hartford Steam Boiler, the crane and remote control are the property and responsibility of your building owner and the resulting extra expenses do not meet the definitions under the Service Interruption coverage. The Service Interruption coverage was not triggered by an ‘accident’ to equipment owned by a utility, landlord, a landlord’s utility, or other supplier who provides the insured with any of the following services listed under the Service Interruption coverage.

A true and correct copy of the Disclaimer is attached hereto as Exhibit F.

33. JEL incurred additional expenses as a result of not being able to utilize the Crane for an extended period of time.

FIRST CLAIM FOR RELIEF – BREACH OF CONTRACT

34. JEL incorporates all prior allegations.

35. The parties’ contract, the Policy, requires Selective to provide coverage for insurance claims pursuant to the terms of the Policy.

36. Selective's denial of insurance proceeds under the Policy constitutes a breach of contract.

37. As a proximate result of Selective's breach, JEL has been injured.

SECOND CLAIM FOR RELIEF

**Declaratory Relief that the Terms of the Policy's Systems Power Pac Endorsement
Provide Insurance Coverage for the Claim**

38. JEL incorporates all prior allegations.

39. The Crane is owned by JEL's landlord who provides the Premises with electricity.

40. The Crane is "covered equipment" as defined by the Policy because it "generates, transmits or utilizes energy."

41. Contrary to the Explanation Email, JEL need not own the Crane to trigger coverage under the SSP Endorsement.

42. The Explanation Email improperly conflates insurance coverage for the cost of repairing the Crane with Service Interruption Coverage under the SPP Endorsement.

43. The Policy provides Service Interruption coverage under the SSP Endorsement.

THIRD CLAIM FOR RELIEF

**Declaratory Relief that the Terms of the Policy's Building and Personal Property
and Business Income (and Extra Expense) Coverage Forms Provide Insurance Coverage
for the Claim**

44. JEL incorporates all prior allegations.

45. The Crane is a "fixture" and is also "permanently installed equipment." The Crane is therefore "covered property."

46. JEL had loss of "business income," and incurred "extra expense," as defined by the Policy's Business Income (and Extra Expense) Endorsement.

47. The Policy provides coverage for the Claim under the Building and Personal Property and Business Income Coverage Forms.

WHEREFORE, Plaintiff, JEL Manufacturing LLC requests that the Court:

A. Award damages to compensate Plaintiff for the loss caused by Defendant's breaches;

B. Declare the Policy provides Coverage for the Claim under the Systems Power Pac Endorsement;

C. Declare the Policy provides Coverage for the Claim under the Personal Property and Business Income (and Extra Expense) Coverage Forms;

D. Award the Plaintiff its costs and fees incurred in connection with this action.

PLAINTIFF DEMANDS TRIAL BY A JURY OF TWELVE PERSONS.

Dated this 16th day of September, 2020.

FOX, O'NEILL & SHANNON, S.C.

Electronically signed by Attorney Lauren E. Maddente

By: _____

LAUREN E. MADDENTE

State Bar No. 1101188

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STATE OF WISCONSIN**CIRCUIT COURT****MILWAUKEE**JEL Manufacturing LLC vs. Selective Insurance Company
of the Southeast**Electronic Filing
Notice**Case No. 2020CV005478
Class Code: Other-Contract**FILED****09-16-2020****John Barrett****Clerk of Circuit Court****2020CV005478****Honorable Carl Ashley-33****Branch 33**SELECTIVE INSURANCE COMPANY OF THE SOUTHEAST
SUITE 400
900 E. 96TH STREET
INDIANAPOLIS IN 46240

Case number 2020CV005478 was electronically filed with/converted by the Milwaukee County Circuit Court office. The electronic filing system is designed to allow for fast, reliable exchange of documents in court cases.

Parties who register as electronic parties can file, receive and view documents online through the court electronic filing website. A document filed electronically has the same legal effect as a document filed by traditional means. Electronic parties are responsible for serving non-electronic parties by traditional means.

You may also register as an electronic party by following the instructions found at <http://efiling.wicourts.gov/> and may withdraw as an electronic party at any time. There is a \$20.00 fee to register as an electronic party.

If you are not represented by an attorney and would like to register an electronic party, you will need to enter the following code on the eFiling website while opting in as an electronic party.

Pro Se opt-in code: 5b66c5

Unless you register as an electronic party, you will be served with traditional paper documents by other parties and by the court. You must file and serve traditional paper documents.

Registration is available to attorneys, self-represented individuals, and filing agents who are authorized under Wis. Stat. 799.06(2). A user must register as an individual, not as a law firm, agency, corporation, or other group. Non-attorney individuals representing the interests of a business, such as garnishees, must file by traditional means or through an attorney or filing agent. More information about who may participate in electronic filing is found on the court website.

If you have questions regarding this notice, please contact the Clerk of Circuit Court at 414-278-4120.

Milwaukee County Circuit Court
Date: September 16, 2020

FILED

09-16-2020

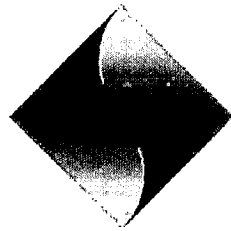
John Barrett

Clerk of Circuit Court

2020CV005478

Honorable Carl Ashley-33

Branch 33



SELECTIVE®

POLICY DOCUMENT

S 241635100

INSURED'S COPY

EXHIBIT A

eRisk Hub® Risk Management Portal Be Prepared For Data Breach

Data Breach Can Take You By Surprise

If your organization experiences a data breach would you be prepared? As we all know from the news, even very large companies aren't always ready to respond. Yet when a breach event occurs, time is of the essence.

Most states now require the responsible business to promptly notify every individual affected by a data breach. Beyond those legal requirements and their costs, how you respond to a data breach can mean the difference between preserving your clients' trust or losing it.

When suddenly confronted with a data breach, many companies make mistakes that can significantly increase their cost of responding and put their reputation at risk.

Now you can develop an effective data breach response plan in advance of a crisis that can help you to be prepared and protect your client relationships and business reputation.

Immediate Access To Risk Management Tools

As part of our Data Compromise coverage, we offer access to an online data breach portal that equips you with a risk management tool to help you plan and be prepared should a breach happen to your company. There's no cost; it's a complimentary service for our Data Compromise insureds.

It's called eRisk Hub®, and it's designed to help you to better understand your risks and establish a response plan so you can manage the costs and minimize the effects of a data breach should one occur.

With a response plan and instant access to informative resources, you'll be ready to more efficiently and cost-effectively respond to and recover from a data breach.

Key Features of the eRisk Hub® Portal

Incident Response Plan Roadmap — includes suggested steps to take following a network or data breach incident

Online Training Modules — ready-to-use training for business owners on privacy best practices and Red Flag Rules

Risk Management Tools — assists you in managing your cyber risk including a self- assessment and state breach notification laws

News Center — cyber risk stories, security and compliance blogs, security news, risk management events and helpful industry links

Learning Center — best-practices articles, white papers and webinars from leading technical and legal practitioners

This notice describes access to an unaffiliated third-party service available to you because your policy includes the Data Compromise endorsement. Selective Insurance Company of America and its affiliates does not control, review or endorse the information or services provided by eRisk Hub®, which you use at your own risk. This notice is not part of your policy and neither the information contained in this notice nor on eRisk Hub® modifies your policy's coverage.

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Key Features of the eRisk Hub® Portal (continued)

eRisk Resources — a directory to quickly find external resources with expertise in pre- and post-breach disciplines

Security and Privacy Training — computer based training for business owners on best practices for security and privacy awareness

Register Now

To access the eRisk Hub® portal you need to register and set up your unique User ID and Password. It's easy, just follow these steps:

Enter your assigned access

- 3 Enter <http://eriskhub.com/selectivefork-login> in your browser.
- 3 Click Selective's Data Compromise.
- 3 Complete the information in the center of the page, including your name and company. Please note that your User ID and Password are case-sensitive.
- 3 code: 12116-37.
- 3 Enter the challenge word on the screen, and click "Submit".
- 3 Access the "Terms of Use" to review them on the next screen and click "Submit", if you accept them.
- 3 You will get a "Registration Complete" message on the next screen. You can now log into the portal.

Log In And Start

Once you have set up access, enter your User ID and Password into the Member Login box in the upper right of the site banner, and click Submit to access the eRisk Hub® Portal.

If you forgot your password, access the link to have your password reset. Remember, your User ID and Password are case sensitive.

This notice describes access to an unaffiliated third-party service available to you because your policy includes the Data Compromise endorsement. Selective Insurance Company of America and its affiliates does not control, review or endorse the information or services provided by eRisk Hub®, which you use at your own risk. This notice is not part of your policy and neither the information contained in this notice nor on eRisk Hub® modifies your policy's coverage.

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Facts

Regarding

Premium

Audits

To Our Policyholder:

Your policy has been issued with an estimated premium. At the expiration of the policy, either a company representative (Premium Auditor) will contact you or you will receive a written request for information. In either case, the information you provide will be used to determine the final premium under the policy. **Please note that only those policies containing one or more class codes that are rated on an auditable premium basis (such as payroll, receipts/sales, total cost or admissions), are subject to a premium audit.**

Insurance Costs can be minimized by proper record keeping. Frequently exposures can be assigned to lower rated classifications provided this information is obtainable using **your records**. During the final audit, the Premium Auditor will work with you towards this goal of helping you to minimize your insurance costs.

For Businesses Other Than Contractors:

1. The basis of premium used to determine your policy premium may be payroll, receipts or sales, total cost or admissions. These are defined as follows:

A. Payroll:

The total remuneration for services rendered by an employee includes (a) lodging, (b) bonuses, (c) commissions, (d) vacation, holiday, & sick days, (e) standard overtime. Under the General Liability Coverage, payroll does not include (a) payroll of clerical employees (b) salesmen who are away from the premises (c) drivers. Remuneration *excludes* tips.

B. Receipts/Sales:

The gross amount of money charged for goods or products sold, operations performed, rentals, and dues or fees.

This flier provides only a general overview of premium audit procedures. It is not intended to describe specific coverages afforded by any insurance policy.

We recommend that you examine, in detail, any policy offered to you.

For more information, contact your local Selective agent.

C. Total cost

Total cost of all work let or sublet in connection with each specific project including (a) cost of all labor materials & equipment (b) all fees, bonuses & commissions.

D. Admissions:

The total number of persons, other than employees, admitted to the event insured or to events conducted on the premises whether on paid admissions, tickets, complimentary tickets or passes.

2. In the event commissions or monies are paid to persons you consider to be independent contractors, i.e., Real Estate Salesmen, Insurance Salesmen, Restaurant and/or Nite Club Entertainers, Taxi-Cab operators and others in this category, **please inform your agent immediately.**
3. If you are an Executive Officer and covered under the policy, there may be a payroll or salary limitation. There also is a minimum amount to be charged should you not draw a salary, or draw less than this minimum.

Considerations For Contractors

1. Most Workers~ Compensation Laws provide that the General or Principal Contractor shall be responsible for the workers~ compensation insurance to employees of sub-contractors, except for any subcontractors who have insured their compensation obligation and have furnished to the contractor satisfactory evidence of such insurance. Satisfactory evidence is a {Certificate of Insurance} with dates corresponding to the time worked for the contractor. These should be retained to show the Premium Auditor.
2. The manual rules permit division of payroll for each separate and distinct operation provided separate records of payroll are maintained and the division is not contrary to classification restrictions.

Note: This rule is very important since those operations which can be classified using this rule, can be used only when separate records of payroll are maintained. Without the proper record keeping, the highest rated classification applying to the job will be used.

3. General Liability-Divers~ payroll is to be excluded in computing premiums for this coverage. For the purposes of this rule, Mobile Equipment Operators are not considered in this category, i.e., their payroll is included and assigned to the classification in which they are engaged.
4. Products and Completed Operations Coverage under General Liability-Mechanical Contractors, i.e., Air Conditioning, Heating, Plumbing and Refrigeration, can minimize their insurance premium costs by keeping separate records on the outright sale and/or cost of units and equipment (for plumbing-appliances and fixtures). Again, one can see the importance of record keeping

IMPORTANT NOTICE REGARDING AGENT COMPENSATION

We sell our insurance products and services through appointed independent insurance agencies and agents ("Agent" or "Agents"). Because Agents also generally represent several of our competitors, our primary marketing strategy is to:

- Develop close relationships with each Agent by (i) soliciting their feedback on products and services, (ii) advising them concerning company developments, and (iii) investing significant time with them professionally and socially; and
- Develop with each Agent, and then carefully monitor, annual goals regarding (i) types and mix of risks placed with us, (ii) amounts of premium or numbers of policies placed with us, (iii) customer service levels, and (iv) profitability of business placed with us.

We pay Agents commissions and other consideration for business placed with us (and we do not authorize our Agents to receive other monies for our insurance). We seek to compensate our Agents fairly and in a way consistent with market practices.

Our Agent compensation programs may include one or more of the following depending on the Agent's overall business relationship with us:

- **Commission Payments.** We pay commission based on a percentage of the premium the policyholder pays. The amount of commission varies depending on policy type, state location of risk, and other factors.
- **Additional Commission Payments.** We may pay additional and varying percentages of premium for attainment of certain goals we set with the Agent, including:
 - **Profitability**, which we determine by comparing losses and expenses to premium;
 - **Volume**, which is the amount of premium written with us;
 - **Growth and Retention**, which we measure by comparing premium volume or number of policies for overall or specific types of policies; or
 - **Annual Plan Performance**, which we measure according to performance standards determined by us and the Agent.

In certain cases, an Agent may put additional commissions at risk and become obligated to pay us amounts if certain goals are not met.

- **Expense Reimbursement.** We may reimburse certain marketing and other expenses incurred for placing business with us.
- **Entertainment and Other Things of Value.** We may entertain or provide other things of value, including travel and gratuities, to Agents who we believe provide exceptional value to our policyholders and shareholders.
- **Business Production Incentive Programs.** We may provide Agents or their employees opportunities to receive additional compensation (cash or contest prizes) for certain activities or tasks, such as placing specific types of policies with us or inputting data through one of our technology systems.

- **Loss Control Agreements.** We may pay Agents a flat fee or a percentage of commission for safety and loss control surveys, inspections, accident or claim investigations.
- **Agent Stock Purchase Plan.** Certain of our Agents participate in a stock purchase plan that allows those Agents to purchase common stock in Selective Insurance Group, Inc. at a 10% discount to market and requires those agents to hold the stock for at least one year before they can transfer it.

As supporters of the independent insurance agency distribution system, we may provide Agents from time-to-time with tools and programs designed to preserve and strengthen the independent agency distribution system, including assistance with producer recruitment and/or training, loans, or loan guarantees. These tools and programs, which may be experimental, are provided to assist our Agents in the perpetuation of robust independent insurance agencies and are not conditioned on the imposition of extraordinary current or future production conditions.

We also distribute our insurance products to a limited extent through select insurance brokers which we compensate with some of the same compensation tools we use for Agents. If you have engaged a broker to place insurance with us, please ask the broker if any of the above described compensation arrangements are in effect with us.

Please direct questions regarding specific compensation to your Agent.

IMPORTANT NOTICE TO POLICYHOLDERS EQUIPMENT BREAKDOWN COVERAGE JURISDICTIONAL INSPECTION SERVICE

This notice is an advisory notice and is not a part of your policy. For complete information on all coverages, terms, conditions and exclusions, please review your policy. If there is any conflict between your policy and this notice, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

This Selective Insurance policy includes equipment breakdown coverage. The Hartford Steam Boiler Inspection and Insurance Company (HSB) is an equipment specialist working with Selective Insurance to provide equipment related inspection services. Our combined goal is to provide the highest quality insurance program and services that will help you protect your equipment and your business.

There may be laws or regulations in your city, county or state that require periodic boiler inspections. The scope of the laws may also include air conditioning systems, refrigeration systems and pressure vessels. Most Jurisdictional Authorities charge a fee for both the inspection and the certificate. HSB will perform the inspection for you at no cost as an integral part of your insurance program. The certificate fee or any fine levied by the Jurisdiction for not complying with the laws or regulations, is not a part of this service.

If you answer yes to any of the following questions, you may require a certificate inspection. Contact the HSB Inspection Hotline and the customer service representative will assist you.

- Does my location contain any heating or process boilers?
- Does my location have any large hot water heaters (200,000+ btu/hr)?
- Does my location contain any pressure vessels (air tanks, hot water storage tanks)?
- Does my location have a central air conditioning system?

HSB INSPECTION HOTLINE

Telephone: 1-800-333-4677

Fax: 1-484-582-1811

E-mail: NSCINSP_HOTLINE@hsb.com

Please provide the following information:

- Policy Number
- Insured Name
- Location Name and Address
- Contact Name and Phone Number

PRAESIDIUM

WHAT YOU DON'T KNOW CAN HURT THOSE IN YOUR CARE AND YOUR ORGANIZATION.

Adopting a solid screening and selection process is your first line of defense in creating a safe environment. A thorough, consistent screening process may also discourage would-be offenders from targeting your organization. Failure to discover a known offender can affect those in your care and the organization's reputation, financial stability, and trust within the community. Who you should screen can depend on many factors, such as if the person is a new full-time hire, a season hire, or even a current employee. In determining the types of checks to utilize, organizations should follow all state, federal, and licensing regulations and consider an individual's level of access. Level of access may be influenced by:

WHO IS PRAESIDIUM?

Praesidium is the national leader in abuse risk management. With more than two decades of experience, and serving thousands of clients, our dedicated team of researchers, psychologists, attorneys, social workers, and human resource professionals have analyzed thousands of cases of abuse in organizations and synthesized the latest scientific research. We know how abuse happens in organizations . . . and how to prevent it.

- **Frequency**: How frequently does the individual work around or interact with consumers? Is it a one-time event or every day?
- **Duration**: What is the duration of the individual's interactions? Is it a one-time, one-hour event or an entire summer?
- **Level of Supervision**: Are the individual's interactions always supervised by another adult or are they one-on-one with consumers?
- **Nature of the Relationship**: What is the nature of the relationship between the individual and the consumers in the program? Does the individual merely supervise an area during an event that has consumers, or are they getting to know individual consumers and families while counseling, tutoring, or providing personal care services?

Selective Insurance has partnered with Praesidium to offer you discounted background screening services for your organization.

For more information go to: selective.com/praesidium - (800.743.6354) - selective@praesidiuminc.com
In order to receive this exclusive benefit please identify yourself as a Selective Insurance agent or insured.

FOUR ELEMENTS FOR A THOROUGH BUT COST EFFECTIVE BACKGROUND CHECK:

- **Check Facts:** Aliases, DOBs, and address history all drive research and help to paint a complete picture.
- **Search Wide:** Multi State criminal and national sex offender databases will identify the unexpected.
- **Search Deep:** Targeted county level searches will give real-time information where records are most likely to be found.
- **Ask Questions:** References can provide insights on behavior and clues to non-criminal boundary issues.

WHO SHOULD YOU SCREEN, AND HOW OFTEN?

- **New Hires/Volunteers:** A thorough, consistently applied background screening process at the time of hire is your first and best opportunity to identify the problem.
- **Seasonal Hires/Volunteers:** Seasonal staff present a unique risk because you don't see them for months at a time, but it's often not practical to complete a full new hire process each season. An annual check-in plan is key.
- **Re-Screening:** Conducting targeted checks on your full-time employees at least every 3 years helps you identify issues before they impact your organization.

BACKGROUND SCREENING FOR SELECTIVE INSURED

Praesidium offers a selection of background screening packages plus a la carte services to empower your organization to conduct right-sized research. Praesidium's team can help contextualize the screening process as part of an overall culture of safety and discuss how screening works in hand with other abuse prevention efforts. Praesidium's team can also help you understand who to screen, how often, and the importance of re-screening.

	LOW ACCESS VOLUNTEERS	HIGH ACCESS VOLUNTEERS	EMPLOYEES	FINANCIAL ACCESS	A LA CARTE
	STARTING AT \$16	STARTING AT \$16	STARTING AT \$16	STARTING AT \$37	INDIVIDUAL COST PER SERVICE
Employment Credit (\$60 one-time set up fee required)				X	\$10.00
Confidence Multi State Criminal and Sex Offender Database w/Alias**	X	X	X	X	\$ 9.00
7 Yr County Criminal Records Search: Current County of Residence*	X	X	X	X	\$ 7.00
Add'l Counties Added As Needed Based on 7 yr Address History*		X	X	X	\$ 5.50
County Civil Records Search (upper): 1 County*				X	\$11.00
Motor Vehicle Records Search*					\$ 5.00
Employment Verification: 1 Position*					\$ 8.00
Education Verification: 1 Degree*					\$ 7.00
Personal Reference: 1 Reference					\$11.00
Professional Reference: 1 Reference					\$12.00
International Criminal Search 1 Jurisdiction*					\$50.00

* 3rd Party keeper fees may apply and will be passed on at cost when incurred.

** Criminal records found in the Multi State database check are subject to verification at the source and additional costs may apply.

For more information go to: selective.com/praesidium - (800.743.6354) - selective@praesidiuminc.com
In order to receive this exclusive benefit please identify yourself as a Selective Insurance agent or insured.

NOTICE TO POLICYHOLDERS

KEEP THIS NOTICE WITH YOUR INSURANCE PAPERS

PROBLEMS WITH YOUR INSURANCE? — If you are having problems with your insurance company or agent, do not hesitate to contact the insurance company or agent to resolve your problem.

**Selective Insurance Company of South Carolina
Selective Insurance Company of the Southeast
Selective Insurance Company of America
40 Wantage Avenue
Branchville, N. J. 07890
1-800-777-9656
1-973-948-3000**

You can also contact the **OFFICE OF THE COMMISSIONER OF INSURANCE**, a state agency which enforces Wisconsin's insurance laws, and file a complaint. You can contact the **OFFICE OF THE COMMISSIONER OF INSURANCE** at its website at <http://oci.wi.gov/>, or by contacting:

Office of the Commissioner of Insurance
Complaints Department
P.O. Box 7873
Madison, WI 53707-7873
1-800-236-8517
1-608-266-0103

IMPORTANT NOTICE TO POLICYHOLDERS

COMMERCIAL PROPERTY INSURANCE TO VALUE

NO COVERAGE IS PROVIDED BY THIS POLICYHOLDER NOTICE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISION OF THE POLICY SHALL PREVAIL.

REGARDING BUILDING INSURANCE TO VALUE

The replacement cost for building(s) insured on this policy is an estimated replacement cost based on general information about your building(s). It is developed from models that use estimated cost of construction materials and estimated labor rates for like buildings in the area. The actual cost to replace your building(s) may be significantly different. Selective Insurance does not guarantee that this figure will represent the actual cost to replace your building(s). You are responsible for selecting the appropriate amount of coverage and you may obtain your own insurance replacement cost appraisal. Additional information you obtain on the replacement cost of your building(s) can further assist you in making a more informed decision about the true value of your building(s). Selective Insurance will consider and accept, if reasonable, your appraisal. Any higher coverage amounts selected will result in higher premiums. You may contact your insurance agent to assist you in obtaining your own insurance replacement cost appraisal or contact one of the numerous companies providing insurance replacement cost appraisals for commercial buildings.

REGARDING BUSINESS PERSONAL PROPERTY INSURANCE TO VALUE

The replacement cost for your Business Personal Property insured on this policy is based on values provided by you. You are responsible for selecting the appropriate amount of coverage to ensure adequate replacement cost values.

NOTICE TO POLICYHOLDERS POTENTIAL RESTRICTIONS OF TERRORISM COVERAGE WHEN TERRORISM COVERAGE IS ACCEPTED

This Notice has been prepared in conjunction with the **POTENTIAL** implementation of changes related to coverage of terrorism under your policy.

The Terrorism Risk Insurance Act established a program (Terrorism Risk Insurance Program) within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. That Program is subject to a termination date of December 31, 2014 unless extended by the federal government. If the federal Program terminates, or is extended with certain changes prior to or during the term of your policy, then the treatment of terrorism under your policy will change. This Notice is being provided to you for the purpose of summarizing potential impact on your coverage. The summary is a brief synopsis of significant exclusionary provisions and limitations.

This Notice does **not** form a part of your insurance contract. The Notice is designed to alert you to coverage restrictions and to other provisions in certain terrorism endorsement(s) in this policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

Carefully read your policy, including the endorsements attached to your policy.

YOUR POLICY DURING TENURE OF THE TERRORISM RISK INSURANCE PROGRAM AS THAT PROGRAM EXISTS PURSUANT TO THE TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT OF 2007:

Except as described below, this policy does not contain a terrorism exclusion. However, the policy contains an endorsement under which coverage for "certified acts of terrorism" (which is more fully defined in the endorsement but involves an act of terrorism certified by the federal government to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act) is subject to a limit on our liability pursuant to the federal Terrorism Risk Insurance Act. Further, the absence of a terrorism exclusion does not create coverage for any loss that would otherwise be excluded under the policy, such as losses excluded by the nuclear hazard or war exclusions.

POTENTIAL CHANGE TO YOUR POLICY:

Endorsement IL 09 95 is attached to your policy. Its provisions become applicable to your policy only if certain events (one or more of them) occur. Those events include the following:

- If the federal Terrorism Risk Insurance Program (TRIP) terminates with respect to the type of insurance provided under this policy. (TRIP is/was scheduled to terminate at the end of December 31, 2014 unless extended by the federal government.); or
- If TRIP is extended with changes that redefine terrorism, and we are not required to make such revised coverage available to you; or
- If TRIP is extended with changes that make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other events or occurrences under this policy, and we are not required to make such revised coverage available to you; or
- If TRIP is extended with changes that increase insurers' statutory percentage deductible under TRIP for terrorism losses, or decrease the federal government's statutory percentage share in potential terrorism losses, and we are not required to make terrorism coverage available to you. Our deductible is 20% of the total of our previous year's direct earned premiums. The government's share is 85% of the terrorism losses paid by us above the deductible.

Endorsement IL 09 95 treats terrorism as follows:

Coverage for loss or damage arising out of a terrorism incident is excluded only if:

- The total of all insured damage to all types of property (including business interruption losses sustained by owners or occupants of damaged property), from the incident, exceeds \$25 million. The \$25 million property damage threshold is based on losses sustained by all persons and entities who are affected by an incident of terrorism, and who are insured for the damage, or who would be insured but for a terrorism exclusion. To determine whether the threshold for property damage (\$25 million) is exceeded, multiple incidents of terrorism which occur within a seventy-two hour period and appear to be linked together or have a related purpose or common leadership behind them shall be considered to be one incident of terrorism; or
- The terrorism event involves nuclear materials or results in nuclear reaction or radiation or radioactive contamination; or
- The terrorism event involves the release of radioactive material, and it appears that one purpose of the terrorism was to release such material; or
- The terrorism event is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- The terrorism event involves the release of pathogenic or poisonous biological or chemical materials, and it appears that one purpose of the terrorism was to release such materials.

The Exception Covering Certain Fire Losses applies only in certain states. If the exception applies in any states under your policy, that is indicated in the Schedule of the terrorism endorsement. If the Exception applies, the Schedule indicates the affected types of insurance in affected states. When the Exception applies, the exclusion of terrorism does not apply to direct loss or damage by fire to Covered Property, with respect to affected types of insurance in affected states.

See the definition of terrorism for purposes of the terrorism exclusion.

**POLICYHOLDER DISCLOSURE NOTICE
OFFER OF TERRORISM INSURANCE COVERAGE
AND
REJECTION FORM — EFFECTIVE UNTIL REVOKED**

Offer of Coverage:

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from “acts of terrorism”, as defined in Section 102(1) of the Act. The term “act of terrorism” means any act or acts that are certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an “act of terrorism”; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You may accept or reject insurance coverage for losses resulting from certified “acts of terrorism”.

- If you accept this offer of coverage simply pay your billed premium, which includes the amount shown below. You do not need to do anything else.
- If you would like to reject this coverage, please see the section of this form entitled Rejection of Terrorism Insurance Coverage and follow the instructions. Even if you reject this coverage, state law prohibits us from excluding fire losses resulting from an “act of terrorism”. Therefore, the terrorism exclusion we place on your policy will contain an exception for fire losses resulting from an “act of terrorism”. The additional premium for such fire losses resulting from an “act of terrorism” is shown below. **Please note that if you reject coverage for losses resulting from certified “acts of terrorism”, we will not provide coverage on renewals of this policy unless you ask us for coverage in the manner set forth in our “Offer of Terrorism Insurance Coverage When Terrorism Insurance Coverage Was Previously Rejected” form, which will be attached to renewals of this policy.**

Disclosure of Premium:

The portion of your annual premium that is attributable to coverage for “acts of terrorism” is \$256.00 and does not include any charges for the portion of loss that may be covered by the federal government under the Act.

The premium for terrorism (fire only) coverage is \$27.00 and is due regardless of whether you reject coverage for certified “acts of terrorism”.

Please be aware that even if you purchase coverage for losses resulting from certified “acts of terrorism”, your policy will still contain other policy terms, conditions, limitations and exclusions that may impact whether coverage is available in the event of a loss resulting from a certified “act of terrorism”.

Federal Participation in Payment of Terrorism Losses:

You should know that where coverage is provided by this policy for losses resulting from certified "acts of terrorism", such losses may be partially reimbursed by the United States Government under a formula established by federal law. Under the formula, the United States Government generally reimburses the following percentages of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage:

- a. 85% through 2015;
- b. 84% beginning on January 1, 2016;
- c. 83% beginning on January 1, 2017;
- d. 82% beginning on January 1, 2018;
- e. 81% beginning on January 1, 2019;
- f. and 80% beginning on January 1, 2020.

Cap on Insurer Participation in Payment of Terrorism Losses:

You should also know that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits United States Government reimbursement as well as insurers' liability for losses resulting from certified "acts of terrorism" when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

Rejection of Terrorism Insurance Coverage:

You may reject this offer of coverage by checking the box, filling in the information below, signing and returning this form to your agent. If you choose to reject this offer of coverage, we will add an exclusionary endorsement to your policy to eliminate coverage for losses resulting from certified "acts of terrorism".

Rejection of Coverage - Effective Until Revoked

I HAVE READ THIS FORM IN ITS ENTIRETY AND DO NOT WANT TO PURCHASE COVERAGE FOR CERTIFIED "ACTS OF TERRORISM". I UNDERSTAND THAT THIS REJECTION IS EFFECTIVE UNTIL I AFFIRMATIVELY REVOKE IT IN THE MANNER SET FORTH IN SELECTIVE'S "OFFER OF TERRORISM INSURANCE COVERAGE WHEN TERRORISM INSURANCE COVERAGE WAS PREVIOUSLY REJECTED" FORM, AND THAT IF I SIGN THIS FORM THIS POLICY AND ANY RENEWALS WILL EXCLUDE COVERAGE FOR LOSSES RESULTING FROM CERTIFIED "ACTS OF TERRORISM".

_____ Policyholder/Applicant's Signature	SELECTIVE INSURANCE COMPANY OF THE SOUTHEAST _____ Insurance Company
_____ Print Name	S 2416351 _____ Policy or Quote Number
_____ Title	
_____ Date	

Insurance is provided by the Company designated on the Declarations Page of this policy. The addresses of all Selective Insurance Companies are shown below:

Selective Insurance Company of America
40 Wantage Avenue
Branchville, NJ 07890

Selective Way Insurance Company
40 Wantage Avenue
Branchville, NJ 07890

Selective Insurance Company of South Carolina
900 E. 96th Street, Suite 400
Indianapolis, IN 46240

Selective Insurance Company of New York
300 Olympic Towers
300 Pearl Street
Buffalo, NY 14202

Selective Insurance Company of the Southeast
900 E. 96th Street, Suite 400
Indianapolis, IN 46240

Selective Insurance Company of New England
40 Wantage Avenue
Branchville, NJ 07890

Administrative Offices of all Selective Insurance Companies are located at:
40 Wantage Avenue
Branchville, NJ 07890

NOTICE OF INFORMATION PRACTICES (LONG FORM)**MISC-798 06 01**

Your application or information you provide in connection with a claim is our major source of information. However, in order to evaluate your application for insurance, to service your policy or to process a claim, we may ask for additional information about you and any person who will be insured under this policy or who is the subject of the claim. This is sometimes necessary to make certain that the statements on your application are accurate or to process the claim. We may also need more details than you have already given us.

INFORMATION WE COLLECT

In connection with an application, the information that we may collect will enable us to make possible judgments about your character, habits, hobbies, finances, occupation, general reputation, health or other personal characteristics. In connection with a claim, the information we may collect will enable us to process the claim.

We may obtain this information from several sources. For example, we may contact any physician, clinic or hospital where any persons to be insured or making a claim have been treated. We may need information from your employer. But, before we ask for information from any of these sources, we will ask you to sign an authorization, which gives us permission to proceed, unless authorization is not required by law.

We may get information by talking or writing to other insurance companies to which you applied for a policy or with which you have made a claim, members of your family, neighbors, friends, your insurance agent and others who know you. We may also obtain information from motor vehicle reports, court records, or photographs of the property you want insured or with regard to which you have made a claim.

CONSUMER REPORTS

It is common for an insurance company to order a report from an independent organization — a consumer reporting agency or an insurance-support organization — to verify and add to the information that you have given us. These reports are used to help us decide if you qualify for the insurance for which you have applied or to evaluate the claim you have made.

They may:

- _____ pertain to your mode of living, character, general reputation and personal characteristics such as health, job and finances.
- _____ contain information on your marital status, driving records, etc.
- _____ include information on the loss history of your property.
- _____ include information gathered by talking or writing to you or members of your family, neighbors, friends, your insurance agent and others who know you.
- _____ include information from motor vehicle reports, court records or photographs of your property and/or the property involved in the claim.

Upon your request, the consumer reporting agency or insurance-support organization will attempt to interview you in connection with any report it prepares. The information may be kept by the reporting organization and may later be given to others who use its services. It will be given only to the extent permitted by the Federal Fair Credit Reporting Act and your local state law, if any. Upon request and identification, the consumer reporting agency or insurance-support organization will provide you with a copy of the report.

DISCLOSURE OF INFORMATION

Information we collect about you will not be given to anyone without your consent, except when necessary to conduct our business. There are some disclosures which may be made without your prior authorization. These include:

- _____ Persons or organizations who need the information to perform a professional, business or insurance function for us, such as businesses that assist us with data processing or marketing.
- _____ Other insurance companies, agents, or consumer reporting agencies as it may be needed in connection with any application, policy or claim involving you.
- _____ Adjusters, appraisers, investigators and attorneys who need the information to investigate or settle a claim involving you.
- _____ An insurance-support organization which is established to collect information for the purpose of detecting and preventing insurance crimes or fraudulent claims.
- _____ A medical professional or institution to verify your insurance coverage or inform you of a medical condition of which you may not be aware.
- _____ Persons or organizations that conduct scientific research, including actuarial or underwriting studies.
- _____ Persons or organizations that will use the information for sales purposes, unless you indicate in writing to us that you do not want the information disclosed for this purpose.
- _____ Our affiliated companies for auditing our operations and for marketing an insurance product or service.

In addition, we may provide information to state insurance departments in connection with their regulatory authority and to other governmental or law enforcement authorities to protect our legal interests or in cases of suspected fraud or illegal activities.

YOUR INSURANCE POLICY FILES

Information we collect about you will be kept in our policy files. We may refer to this information if you file a claim for benefits under any policy you have with us or if you apply to us for a new policy. You have the right to know what kind of information we keep in our files about you, to have access to the information, and to receive a copy. There are some types of information; however, to which we are not required to give you access. This type of information is generally collected when we evaluate a claim or when the possibility of a lawsuit exists.

If you want information from your files, please contact us. There may be a nominal charge for copies of records. If you think your file contains incorrect information, notify us indicating what you believe is incorrect and your reasons. We will reinvestigate the matter and either correct our records or place a statement from you in our files explaining why you believe the information is incorrect. We will also notify persons or organizations to whom we previously disclosed the information of the change or your statement.

CONFIDENTIALITY AND SECURITY OF PERSONAL INFORMATION

We restrict access to personal information to those individuals who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with legal standards and ensure the confidentiality of personal information in accordance with our policy.

TREATMENT OF PERSONAL INFORMATION OF FORMER CUSTOMERS AND APPLICANTS

We adhere to this personal information privacy policy even when a customer relationship no longer exists. Disclosures about former applicants and customers may be made without prior authorization as permitted by law.

If you have any questions about our information practices, please contact us.

SELECTIVE INSURANCE COMPANY OF THE SOUTHEAST
900 E. 96TH STREET, INDIANAPOLIS, IN 46240

COMMERCIAL POLICY COMMON DECLARATION**Named Insured and Address**

JEL MANUFACTURING LLC
3073 S CHASE AVE
BLDG 35
MILWAUKEE, WI 53207-2638

Policy Period

From: DECEMBER 14, 2019
To: DECEMBER 14, 2020

12:01 A.M Standard Time At
Location of Designated Premises.

Named Insured is:

LLC

Producer Number:

00-48213-00000

Producer:

BWO INSURANCE GROUP LLC
WISCONSIN

Schedule of Coverage

COMMERCIAL PROPERTY COVERAGE
COMMERCIAL GENERAL LIABILITY COVERAGE
COMMERCIAL AUTOMOBILE COVERAGE
COMMERCIAL INLAND MARINE COVERAGE
COMMERCIAL UMBRELLA COVERAGE
COMMERCIAL CRIME COVERAGE
EMPLOYMENT PRACTICES LIABILITY

PREMIUM INCLUDES TERRORISM - CERTIFIED ACTS \$256.00
PREMIUM INCLUDES TERRORISM - AUTO \$5.00

In return for payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance indicated in the schedule above. Insurance is provided only for those coverages for which a specific limit is shown on the attached coverage declaration(s).

PAYMENT METHOD

PGO - 26

Total Policy Premium \$13,267.00

(This premium may be subject to adjustment.)

Date Issued: DECEMBER 19, 2019

Issuing Office: HEARTLAND REGION

Authorized Representative

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SCHEDULE OF LOCATIONS

Policy Effective Date: DECEMBER 14, 2019

Schedule Effective Date: DECEMBER 14, 2019

Prem.**No.****Location**

1

3073 S CHASE AVE
MILWAUKEE, WI 53207**Bldg.****No.****Occupancy**

1

MFG FACILITY

Policy Number

S 2416351

COMMERCIAL POLICY FORMS AND ENDORSEMENT SCHEDULE**Policy Effective Date:** DECEMBER 14, 2019**Schedule Effective Date** DECEMBER 14, 2019

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE
COMMON COVERAGE PART:

IL 70 25	1189	COMMERCIAL POLICY COMMON DECLARATION
IL 70 36	0193	SCHEDULE OF LOCATIONS
IL 00 03	0908	CALCULATION OF PREMIUM
IL 00 17	1198	COMMON POLICY CONDITIONS
IL 00 21	0908	NUCLEAR ENERGY LIABILITY EXCLUSION
IL 79 15	0117	IDENTITY RECOVERY COVERAGE
IL 89 48	0818	EXCLUSION-LEAD HAZARD
IL 89 56	0818	ASBESTOS EXCLUSION

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE
COMMERCIAL PROPERTY COVERAGE PART:

CP 70 26	0617	COMMERCIAL PROP DEC
CP 00 10	1012	BUILDING & PERSONAL PROPERTY COVERAGE FM
CP 00 30	1012	BUSINESS INCOME COVERAGE (W/EX EXP)
CP 00 90	0788	COMMERCIAL PROPERTY CONDITIONS
CP 01 13	1012	WISCONSIN CHANGES
CP 01 40	0706	EXCL OF LOSS DUE TO VIRUS OR BACTERIA
CP 04 11	0917	PROTECTIVE SAFEGUARDS
CP 10 30	0917	CAUSES OF LOSS-SPECIAL FORM
CP 15 32	0607	CIVIL AUTHORITY CHANGE(S)
CP 75 51	0511	SYSTEMS POWER PAC
CP 76 23	1011	COMMERCIAL PROP MORTGAGE HOLDERS SCHED
CP 76 30	0116	ELITEPAC PROPERTY EXT END
CP 76 56	0116	ELITEPAC SCHEDULE - MANUFACTURERS
CP 76 60	0116	BI ACTUAL LOSS SUST - 12 MONTH LIMIT END
CP 76 64	0116	ACCOUNTS RECEIVABLE COVERAGE ENDORSEMENT
CP 76 67	0116	ELECTRONIC INFORMATION SYSTEMS COVER END
CP 76 68	0116	FINE ARTS COVERAGE ENDORSEMENT
CP 76 69	0116	INSTALLATION PROPERTY COVERAGE END
CP 76 70	0116	MOBILE EQUIPMENT COVERAGE END
CP 76 71	0116	PERSONAL EFFECTS COVERAGE END
CP 76 72	0116	PROPERTY IN TRANSIT COVERAGE END
CP 76 73	0116	SALESPERSONS SAMPLES COVERAGE END
CP 76 74	0116	TOOLS AND EQUIPMENT COVERAGE END
CP 76 75	0116	VALUABLE PAPERS COVERAGE END
CP 80 05	0797	PROVISIONAL RATE ENDORSEMENT
CP 80 11	0406	SYSTEMS POWER PAC MULTIPLE DED. FORM
IL 02 83	1118	WISCONSIN CHANGES-CANC AND NONRENEWAL
IL 09 52	0115	CAP ON LOSS FROM CERT ACTS OF TERRORISM
IL 09 85A	0115	DISCL PURSUANT TO TERR RISK INS ACT

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE
COMMERCIAL GENERAL LIABILITY COVERAGE PART:

CG 70 35	0690	COMMERCIAL LIABILITY COVG DECLARATION
CG 00 01	0413	CGL COV FORM (OCCURRENCE)
CG 01 24	0193	WISCONSIN CHANGES-AMEND OF POLICIES COND
CG 04 35	1207	EMPLOYEE BENEFITS LIAB COVERAGE
CG 21 06	0514	EXCL ACCESS DISCL CONF PERS INF-W/LIM BI
CG 21 47	1207	EMPLOYMENT-RELATED PRACTICES EXCL
CG 21 67	1204	FUNGI OR BACTERIA EXCLUSION
CG 21 70	0115	CAP ON LOSSES FROM CERT ACTS OF TERROR
CG 25 04	0509	DESIGNATED LOCATION(S) GENERAL AGG LIMIT
CG 73 00	0119	ELITEPAC GL EXT END
CG 79 35A	0708	PRODUCT RECALL EXPENSE COV ENDT
CG 79 95	0418	DATA COMPROMISE COVERAGE

NOTICE TO POLICYHOLDER: All the forms and endorsements contained in this policy as of the "Schedule Effective Date" are listed above. Forms and endorsements added to the policy after this date will appear on a "Policy Changes" endorsement. Please read your policy and all "Policy Changes" carefully.

NOTE: All applicable "IL" endorsements will be attached in the Common Section of the policy.

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Policy Number

S 2416351

COMMERCIAL POLICY FORMS AND ENDORSEMENT SCHEDULE

Policy Effective Date: DECEMBER 14, 2019

Schedule Effective Date DECEMBER 14, 2019

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE
COMMERCIAL GENERAL LIABILITY COVERAGE PART:

CG 79 97	1116	GENERAL AGGREGATE LIMIT PER PROJECT
IL 02 83	1118	WISCONSIN CHANGES-CANC AND NONRENEWAL
IL 09 85A	0115	DISCL PURSUANT TO TERR RISK INS ACT
IN 05 81	0216	ERISK HUB IMPORTANT NOTICE

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE
BUSINESS AUTOMOBILE COVERAGE PART:

CA 70 57	0292	AUTO DEC -LOSS PAYEE
CA 70 58	0292	BUSINESS AUTO COVERAGE DECLARATION PAGE2
CA 00 01	1013	BUSINESS AUTO COVERAGE FORM
CA 01 17	1013	WISCONSIN CHANGES
CA 04 42	1013	EXCL FED EMPLOYEES USING AUTO IN GOV BUS
CA 20 54	1013	EMPLOYEE HIRED AUTOS
CA 77 74	0706	LIMITED MOBILE EQUIPMENT COVERAGE
IL 02 83	1118	WISCONSIN CHANGES-CANC AND NONRENEWAL

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE
COMMERCIAL INLAND MARINE COVERAGE PART:

CM 70 71	0794	COMMERCIAL INLAND MARINE DECLARATIONS
CM 70 96A	0792	CONTRACTORS EQUIPMENT COVERAGE
CM 00 01	0904	COMMERCIAL IM CONDITIONS
CM 01 05	0101	WISCONSIN CHANGES
CM 70 97	0312	CONTRACTORS EQUIPMENT COVERAGE FORM
CM 71 95	0109	CONTRACTORS EQUIP LOSS PAYEE SCHEDULE
CM 71 97	0315	INLAND MARINE PRIMARY PAC
CM 72 00	0112	LIBERALIZATION
IL 02 83	1118	WISCONSIN CHANGES-CANC AND NONRENEWAL
IL 09 52	0115	CAP ON LOSS FROM CERT ACTS OF TERRORISM
IL 09 85A	0115	DISCL PURSUANT TO TERR RISK INS ACT

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE
COMMERCIAL UMBRELLA COVERAGE PART:

CX 00 03A	0199	COMMERCIAL EXCESS/UMBRELLA DEC
CXL 4	0403	COMMERCIAL UMBRELLA LIAB COVG
CXL 17	1099	ASBESTOS EXCLUSION
CXL 63A	0199	PROPERTY OF OTHERS EXCLUSION
CXL 94A	0199	DIRECTORS & OFFICERS LIAB EXCLUSION
CXL 103	0403	AUTO LIABILITY LIMITATION
CXL 119	0403	WATERCRAFT LIABILITY LIMITATION
CXL 132	0403	PERSONAL & ADVERTISING INJURY LIAB
CXL 211	0403	EMPLOYEE BENEFITS LIABILITY LIMITATION
CXL 318	0403	EXCLUSION - LEAD HAZARD
CXL 328	1118	WISCONSIN CHANGES-CANC AND NONRENEWAL
CXL 383	0702	FUNGI OR BACTERIA EXCLUSION
CXL 388	0115	CAP ON LOSSES FROM CERT ACTS OF TERR
CXL 400	0403	NUCLEAR ENERGY LIABILITY EXCLUSION END
CXL 453	0413	EXCL-EMPLOYMENT PRACTICES LIABILITY
CXL 462	1115	COMMERCIAL UMBRELLA LIABILITY
IL 09 85A	0115	DISCL PURSUANT TO TERR RISK INS ACT

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE
COMMERCIAL CRIME FIDELITY COVERAGE PART:

CR 70 26	0292	COMMERCIAL CRIME COVERAGE DECLARATION
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NOTICE TO POLICYHOLDER: All the forms and endorsements contained in this policy as of the "Schedule Effective Date" are listed above. Forms and endorsements added to the policy after this date will appear on a "Policy Changes" endorsement. Please read your policy and all "Policy Changes" carefully.

NOTE: All applicable "IL" endorsements will be attached in the Common Section of the policy.

Policy Number

S 2416351

COMMERCIAL POLICY FORMS AND ENDORSEMENT SCHEDULE

Policy Effective Date: DECEMBER 14, 2019

Schedule Effective Date DECEMBER 14, 2019

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE
COMMERCIAL CRIME FIDELITY COVERAGE PART:

CR 00 21	0506	COMMERCIAL CRIME COVERAGE FORM
CR 01 06	0702	WISCONSIN CHANGES
CR 02 45	1118	WISCONSIN CHANGES
CR 70 36	0116	ERISA INFLATION GUARD ENDORSEMENT
CR 79 13	0109	COMPUTER FRAUD ADDITIONAL EXCL
CR 79 27	0116	MANUFACTURERS CRIME ELITEPAC END
IL 02 83	1118	WISCONSIN CHANGES-CANC AND NONRENEWAL
IL 09 35	0702	EXCL OF CERTAIN COMPUTER-RELATED LOSSES
SCR 25 47	0917	U.S.DEPT OF LABOR-ERISA PLAN COVERAGE

THE FOLLOWING FORMS AND ENDORSEMENTS ARE APPLICABLE TO THE
EMPLOYMENT PRACTICES LIABILITY COVERAGE PART:

EPL 00 03	0407	EMPL PRACTICES LIAB COVERAGE DEC
EPL 00 01	0918	POLICY FORM
EPL 70 05	0918	WISCONSIN CHANGES
IL 70 67	1118	WI CHANGES - CANC & NONRENEWAL
IL 70 95	0115	WI CHANGES - AMEND OF POLICY COND

NOTICE TO POLICYHOLDER: All the forms and endorsements contained in this policy as of the "Schedule Effective Date" are listed above. Forms and endorsements added to the policy after this date will appear on a "Policy Changes" endorsement. Please read your policy and all "Policy Changes" carefully.

NOTE: All applicable "IL" endorsements will be attached in the Common Section of the policy.

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DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

POLICY NUMBER: s 2416351

IL 09 85 01 15

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

SCHEDULE

SCHEDULE — PART I

Terrorism Premium (Certified Acts) \$256.00

This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies):

INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
GENERAL LIABILITY COVERAGE PART
UMBRELLA LIABILITY COVERAGE PART

Additional information, if any, concerning the terrorism premium:

SCHEDULE — PART II

Federal share of terrorism losses 81% **Year:** 2019

(Refer to Paragraph **B.** in this endorsement.)

Federal share of terrorism losses 80% **Year:** 2020

(Refer to Paragraph **B.** in this endorsement.)

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

CALCULATION OF PREMIUM

IL 00 03 09 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

- a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

- a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

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NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

IL 00 21 09 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

- (c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

WISCONSIN CHANGES — CANCELLATION AND NONRENEWAL

IL 02 83 11 18

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 FARM UMBRELLA LIABILITY POLICY
 LIQUOR LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraph 2. of the **Cancellation Common Policy Condition is replaced by the following:**

- 2.** We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 10 days before the effective date of cancellation.

If this policy has been in effect for less than 60 days and is not a renewal policy, we may cancel for any reason.

If this policy has been in effect for 60 days or more or is a renewal of a policy we issued, except as provided in Paragraph 7. below, we may cancel this policy only for one or more of the following reasons:

- a.** The policy was obtained by material misrepresentation;
- b.** There has been a substantial change in the risk we originally assumed, except to the extent that we should have foreseen the change or considered the risk in writing the policy;
- c.** There have been substantial breaches of contractual duties, conditions or warranties; or

- d.** Nonpayment of premium.

If this policy has been in effect for 60 days or more or is a renewal of a policy we issued, the notice of cancellation will state the reason for cancellation.

B. The following is added to the **Cancellation Common Policy Condition:**

7. Anniversary Cancellation

If this policy is written for a term of more than one year or has no fixed expiration date, we may cancel this policy for any reason by mailing or delivering to the first Named Insured written notice of cancellation at least 60 days before the anniversary date of the policy. Such cancellation will be effective on the policy's anniversary date.

We may cancel this policy because of the termination of an insurance marketing intermediary's contract with us only if the notice of cancellation contains an offer to continue the policy with us if we receive a written request from the first Named Insured prior to the date of cancellation.

C. The following applies to the:

Capital Assets Program (Output Policy) Coverage Part

Commercial Inland Marine Coverage Part

Commercial Property Coverage Part

Crime And Fidelity Coverage Part

Equipment Breakdown Coverage Part

Farm Coverage Part

1. We may rescind this policy because of the following:

- a.** Misrepresentation made by you or on your behalf in the negotiation for or procurement of this Coverage Part, if the person knew or should have known that the representation was false;
- b.** Breach of affirmative warranty made by you or on your behalf in the negotiation for or procurement of this Coverage Part;
- c.** Failure of a condition before a loss if such failure exists at the time of loss; or
- d.** Breach of a promissory warranty if such breach exists at the time of loss.

2. We may not rescind this policy:

- a.** For the reasons in Paragraphs **C.1.a.** and **C.1.b.** unless:
 - (1)** We rely on the misrepresentation or affirmative warranty and the misrepresentation or affirmative warranty is either material or made with intent to deceive; or
 - (2)** The facts misrepresented or falsely warranted contribute to the loss.
- b.** For the reasons in Paragraphs **C.1.c.** and **C.1.d.** unless such failure or breach:
 - (1)** Increases the risk at the time of loss; or
 - (2)** Contributes to the loss.

3. If we elect to rescind this policy, we will notify the first Named Insured of our intention within 60 days after acquiring knowledge of sufficient facts to constitute grounds for rescission.

D. The following are added and supersede any other provisions to the contrary:

1. Nonrenewal

- a.** If we elect not to renew this policy we will mail or deliver written notice of nonrenewal to the first Named Insured's last mailing address known to us. We may elect not to renew for any reason; the notice will state the reason for nonrenewal. We will mail or deliver the notice at least 60 days before the expiration date of this policy.

We need not mail or deliver the notice if:

- (1)** You have insured elsewhere;
- (2)** You have accepted replacement coverage;
- (3)** You have requested or agreed to nonrenewal of this policy;
- (4)** This policy is renewed in an affiliate in compliance with WIS. STAT. SECTION 631.39; or
- (5)** This policy is expressly designated as nonrenewable.

- b.** We may refuse to renew this policy because of the termination of an insurance marketing intermediary's contract with us only if the notice of nonrenewal contains an offer to renew the policy with us if we receive a written request from the first Named Insured prior to the renewal date.

- c.** If you fail to pay the renewal or continuation premium by the premium due date, this policy will terminate on the policy expiration or anniversary date, if we have:

- (1)** Given you written notice of the renewal or continuation premium not more than 75 days nor less than 10 days prior to the due date of the premium; and
- (2)** Stated clearly in the notice the effect of nonpayment of premium by the due date.

2. Anniversary Alteration

If this policy is written for a term of more than one year or has no fixed expiration date, we may alter the terms or premiums of this policy by mailing or delivering written notice of less favorable terms or premiums to the first Named Insured's last mailing address known to us. We will mail, by first class mail, or deliver this notice at least 60 days prior to the anniversary date.

If we notify the first Named Insured within 60 days prior to the anniversary date, the new terms or premiums will not take effect until 60 days after the notice was mailed or delivered. The notice will include a statement of the first Named Insured's right to cancel. The first Named Insured may elect to cancel the policy at any time during the 60-day period, in accordance with Paragraph 1. of the Cancellation Common Policy Condition. If the first Named Insured elects to cancel the policy during the 60-day period, return premiums or additional premium charges will be calculated proportionately on the basis of the old premiums.

3. Renewal With Altered Terms

If we elect to renew this policy but on less favorable terms or at higher premiums, we will mail or deliver written notice of the new terms or premiums to the first Named Insured's last mailing address known to us. We will mail, by first class mail, or deliver this notice at least 60 days prior to the renewal date.

If we notify the first Named Insured within 60 days prior to the renewal date, the new terms or premiums will not take effect until 60 days after the notice was mailed or delivered. The notice will include a statement of the first Named Insured's right to cancel. The first Named Insured may elect to cancel the renewal policy at any time during the 60-day period, in accordance with Paragraph 1. of the Cancellation Common Policy Condition. If the first Named Insured elects to cancel the renewal policy during the 60-day period, return premiums or additional premium charges will be calculated proportionately on the basis of the old premiums.

We need not mail or deliver this notice if the only change adverse to you is a premium increase that:

- a. Is less than 25% and is generally applicable to the class of business to which this policy belongs; or
- b. Results from a change based on your action that alters the nature or extent of the risk insured against, including but not limited to a change in the classification or the units of exposure, or increased policy coverage.

E. Special Provision — Cancellation And Non-renewal

With respect to insurance provided under the Commercial Automobile Coverage Part, we will not cancel or refuse to renew Liability Coverage wholly or partially because of age, sex, residence, race, color, creed, religion, national origin, ancestry, marital status or occupation of anyone who is an insured.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

IL 09 35 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
 - a.** Any of the following, whether belonging to any insured or to others:
 - (1)** Computer hardware, including microprocessors;
 - (2)** Computer application software;
 - (3)** Computer operating systems and related software;
 - (4)** Computer networks;
 - (5)** Microprocessors (computer chips) not part of any computer system; or
 - (6)** Any other computerized or electronic equipment or components; or
 - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
 - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
 - 2.** Under the Commercial Property Coverage Part:
 - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss — Special Form; or
 - b.** In a Covered Cause of Loss under the Causes Of Loss — Basic Form or the Causes Of Loss — Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

IL 09 52 01 15

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

WISCONSIN CHANGES — CANCELLATION AND NONRENEWAL

IL 70 67 11 18

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

ABUSE OR MOLESTATION COVERAGE FORM
 ASSISTED LIVING FACILITIES PROFESSIONAL LIABILITY COVERAGE FORM
 CONTRACTORS PROFESSIONAL COVERAGE FORM
 CYCURITY COVERAGE FORM
 EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM
 MANUFACTURERS ERRORS AND OMISSIONS LIABILITY COVERAGE FORM
 PESTICIDE AND HERBICIDE APPLICATOR COVERAGE FORM
 POLICE PROFESSIONAL LIABILITY COVERAGE FORM
 PROFESSIONAL LIABILITY COVERAGE FORM
 PUBLIC OFFICIALS LIABILITY COVERAGE FORM
 SCHOOL BOARD LEGAL LIABILITY COVERAGE FORM
 SOCIAL SERVICE ORGANIZATION PROFESSIONAL LIABILITY COVERAGE FORM
 TECHNOLOGY ERRORS AND OMISSIONS LIABILITY COVERAGE FORM
 VOLUNTEER EMERGENCY SERVICES MANAGEMENT LIABILITY COVERAGE FORM

A. Paragraph 2. of the **Cancellation Common Policy Condition is replaced by the following:**

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 10 days before the effective date of cancellation.

If this policy has been in effect for less than 60 days and is not a renewal policy, we may cancel for any reason.

If this policy has been in effect for 60 days or more or is a renewal of a policy we issued, except as provided in Paragraph 7. below, we may cancel this policy only for one or more of the following reasons:

- a. The policy was obtained by material misrepresentation;
- b. There has been a substantial change in the risk we originally assumed, except to the extent that we should have foreseen the change or considered the risk in writing the policy;
- c. There have been substantial breaches of contractual duties, conditions or warranties; or
- d. Nonpayment of premium.

If this policy has been in effect for 60 days or more or is a renewal of a policy we issued, the notice of cancellation will state the reason for cancellation.

B. The following is added to the **Cancellation Common Policy Condition:**

7. Anniversary Cancellation

If this policy is written for a term of more than one year or has no fixed expiration date, we may cancel this policy for any reason by mailing or delivering to the first Named Insured written notice of cancellation at least 60 days before the anniversary date of the policy. Such cancellation will be effective on the policy's anniversary date.

We may cancel this policy because of the termination of an insurance marketing intermediary's contract with us only if the notice of cancellation contains an offer to continue the policy with us if we receive a written request from the first Named Insured prior to the date of cancellation.

C. The following are added and supersede any other provisions to the contrary:

1. Nonrenewal

- a. If we elect not to renew this policy we will mail or deliver written notice of non-renewal to the first Named Insured's last mailing address known to us. We may elect not to renew for any reason; the notice will state the reason for non-renewal. We will mail or deliver the notice at least 60 days before the expiration date of this policy.

We need not mail or deliver the notice if:

- (1) You have insured elsewhere;
- (2) You have accepted replacement coverage;
- (3) You have requested or agreed to nonrenewal of this policy; or
- (4) This policy is renewed in an affiliate in compliance with WIS. STAT. SECTION 631.39; or
- (5) This policy is expressly designated as nonrenewable.

b. We may refuse to renew this policy because of the termination of an insurance marketing intermediary's contract with us only if the notice of nonrenewal contains an offer to renew the policy with us if we receive a written request from the first Named Insured prior to the renewal date.

c. If you fail to pay the renewal or continuation premium by the premium due date, this policy will terminate on the policy expiration or anniversary date, if we have:

- (1) Given you written notice of the renewal or continuation premium not more than 75 days nor less than 10 days prior to the due date of the premium; and
- (2) Stated clearly in the notice the effect of nonpayment of premium by the due date.

2. Anniversary Alteration

If this policy is written for a term of more than one year or has no fixed expiration date, we may alter the terms or premiums of this policy by mailing or delivering written notice of less favorable terms or premiums to the first Named Insured's last mailing address known to us. We will mail, by first class mail, or deliver this notice at least 60 days prior to the anniversary date.

If we notify the first Named Insured within 60 days prior to the anniversary date, the new terms or premiums will not take effect until 60 days after the notice was mailed or delivered. The notice will include a statement of the first Named Insured's right to cancel. The first Named Insured may elect to cancel the policy at any time during the 60-day period, in accordance with Paragraph 1. of the Cancellation Common Policy Condition. If the first Named Insured elects to cancel the policy during the 60-day period, return premiums or additional premium charges will be calculated proportionately on the basis of the old premiums.

3. Renewal With Altered Terms

If we elect to renew this policy but on less favorable terms or at higher premiums, we will mail or deliver written notice of the new terms or premiums to the first Named Insured's last mailing address known to us. We will mail, by first class mail, or deliver this notice at least 60 days prior to the renewal date.

If we notify the first Named Insured within 60 days prior to the renewal date, the new terms or premiums will not take effect until 60 days after the notice was mailed or delivered. The notice will include a statement of the first Named Insured's right to cancel. The first Named Insured may elect to cancel the renewal policy at any time during the 60-day period, in accordance with Paragraph 1. of the Cancellation Common Policy Condition. If the first Named Insured elects to cancel the renewal policy during the 60-day period, return premiums or additional premium charges will be calculated proportionately on the basis of the old premiums.

We need not mail or deliver this notice if the only change adverse to you is a premium increase that:

- a. Is less than 25% and is generally applicable to the class of business to which this policy belongs; or
- b. Results from a change based on your action that alters the nature or extent of the risk insured against, including but not limited to a change in the classification or the units of exposure, or increased policy coverage.

WISCONSIN CHANGES — AMENDMENT OF POLICY CONDITIONS

IL 70 95 01 15

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

ABUSE OR MOLESTATION COVERAGE FORM
 ASSISTED LIVING FACILITIES PROFESSIONAL LIABILITY COVERAGE FORM
 CONTRACTORS PROFESSIONAL COVERAGE FORM
 CYCURITY COVERAGE FORM
 EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM
 MANUFACTURERS ERRORS AND OMISSIONS LIABILITY COVERAGE FORM
 PESTICIDE AND HERBICIDE APPLICATOR COVERAGE FORM
 POLICE PROFESSIONAL LIABILITY COVERAGE FORM
 PROFESSIONAL LIABILITY COVERAGE FORM
 PUBLIC OFFICIALS LIABILITY COVERAGE FORM
 SCHOOL BOARD LEGAL LIABILITY COVERAGE FORM
 SOCIAL SERVICE ORGANIZATION PROFESSIONAL LIABILITY COVERAGE FORM
 TECHNOLOGY ERRORS AND OMISSIONS LIABILITY COVERAGE FORM
 VOLUNTEER EMERGENCY SERVICES MANAGEMENT LIABILITY COVERAGE FORM

A. The following is added to **Changes (Common Policy Conditions):**

If one of our agents knows of a fact that breaches a condition of this policy, we will be considered to have knowledge of this same fact if:

1. The agent knows of this fact at the time the policy is issued or an application is made; or
2. The agent later learns of this fact in the course of his dealings as an agent with you.

Any fact that breaches a condition of this policy and is known to the agent prior to loss shall not void the policy or prevent a recovery in the event of loss.

B. The **Legal Action Against Us provision in the **CONDITIONS** section of the policy does not apply.**

C. The following is added to the **Representations provision in the **CONDITIONS** section of the policy:**

No misrepresentation or breach of affirmative warranty made by you or on your behalf in the negotiation of this policy affects our obligation under this policy unless:

1. We rely on it and it is either material or made with intent to deceive; or
2. The facts misrepresented or falsely warranted contribute to the loss.

No failure of a condition before a loss and no breach of a promissory warranty affects our obligation under this policy unless such failure or breach:

1. Exists at the time of the loss; and
2. Either increases the risk at the time of the loss or contributes to the loss.

The provisions of this condition do not apply to nonpayment of premium.

D. The **Transfer Of Rights Of Recovery Against Others To Us provision of the **CONDITIONS** section of the policy is replaced by the following:**

In the event of any payment under this policy, we will be entitled to the insured's rights of recovery against any person or organization and the insured will do whatever is necessary to secure such rights. We will be entitled to a recovery only after the insured has been fully compensated for damages.

E. If applicable, the **Two or More Coverage Forms or Policies Issued By Us and **Non-Pyramiding of Limits** provisions of the **CONDITIONS** section of the policy are deleted in their entirety.**

F. The following is added:

CONFORMITY TO STATUTE OR RULE

Any provision of this policy (including endorsements which modify the policy) that is in conflict with a Wisconsin statute or rule is hereby amended to conform to that statute or rule.

The term rule means a valid rule promulgated by the Commissioner of Insurance in accordance with the rule-making authority conferred under Wis. Stat. Ann. Section 227.11(2) and published in the Wisconsin Administrative Code.

IDENTITY RECOVERY COVERAGE IDENTITY THEFT CASE MANAGEMENT SERVICE AND EXPENSE REIMBURSEMENT

IL 79 15 01 17

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This Endorsement applies to:

COMMERCIAL PROPERTY COVERAGE PART
BUSINESSOWNERS COVERAGE PART
COMMERCIAL OUTPUT POLICY COVERAGE PART

The following is added as an Additional Coverage. If this is being endorsed onto a multi-section form, it is added to the Property section:

IDENTITY RECOVERY COVERAGE

We will provide the Case Management Service and Expense Reimbursement Coverage indicated below if all of the following requirements are met:

1. There has been an "identity theft" involving the personal identity of an "identity recovery insured" under this policy; and
2. Such "identity theft" is first discovered by the "identity recovery insured" during the policy period for which this Identity Recovery Coverage is applicable; and
3. Such "identity theft" is reported to us within 60 days after it is first discovered by the "identity recovery insured."

If all three of the requirements listed above have been met, then we will provide the following to the "identity recovery insured":

1. Case Management Service

Services of an "identity recovery case manager" as needed to respond to the "identity theft"; and

2. Expense Reimbursement

Reimbursement of necessary and reasonable "identity recovery expenses" incurred as a direct result of the "identity theft."

This coverage is additional insurance.

EXCLUSIONS

The following additional exclusions apply to this coverage:

We do not cover loss or expense arising from any of the following.

1. The theft of a professional or business identity.

2. Any fraudulent, dishonest or criminal act by an "identity recovery insured" or any person aiding or abetting an "identity recovery insured", or by any authorized representative of an "identity recovery insured", whether acting alone or in collusion with others. However, this exclusion shall not apply to the interests of an "identity recovery insured" who has no knowledge of or involvement in such fraud, dishonesty or criminal act.

3. An "identity theft" that is not reported in writing to the police.

LIMITS

Case Management Service is available as needed for any one "identity theft" for up to 12 consecutive months from the inception of the service. Expenses we incur to provide Case Management Service do not reduce the amount of limit available for Expense Reimbursement Coverage.

Expense Reimbursement Coverage is subject to a limit of \$25,000 annual aggregate per "identity recovery insured." Regardless of the number of claims, this limit is the most we will pay for the total of all loss or expense arising out of all "identity thefts" to any one "identity recovery insured" which are first discovered by the "identity recovery insured" during the present annual policy period. If an "identity theft" is first discovered in one policy period and continues into other policy periods, all loss and expense arising from such "identity theft" will be subject to the aggregate limit applicable to the policy period when the "identity theft" was first discovered.

Legal costs as provided under item d. of the definition of "identity recovery expenses" are part of, and not in addition to, the Expense Reimbursement Coverage limit.

Item **e.** (Lost Wages) and item **f.** (Child and Elder Care Expenses) of the definition of "identity recovery expenses" are jointly subject to a sublimit of \$5,000. This sublimit is part of, and not in addition to, the Expense Reimbursement Coverage limit. Coverage is limited to wages lost and expenses incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured."

Item **g.** (Mental Health Counseling) of the definition of "identity recovery expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expense Reimbursement Coverage limit. Coverage is limited to counseling that takes place within 12 months after the first discovery of the "identity theft" by the "identity recovery insured."

Item **h.** (Miscellaneous Unnamed Costs) of the definition of "identity recovery expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expenses Reimbursement Coverage limit. Coverage is limited to costs incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured."

DEDUCTIBLE

Case Management Service is not subject to a deductible.

Expense Reimbursement Coverage is subject to a deductible of \$250. Any one "identity recovery insured" shall be responsible for only one deductible under this Identity Recovery Coverage during any one policy period.

CONDITIONS

The following additional conditions apply to this coverage:

A. Help Line

For assistance, the "identity recovery insured" should call us for:

1. Information and advice for how to respond to a possible "identity theft"; and
2. Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

In some cases, we may provide Case Management services at our expense to an "identity recovery insured" prior to a determination that a covered "identity theft" has occurred. Our provision of such services is not an admission of liability under the policy. We reserve the right to deny further coverage or service if, after investigation, we determine that a covered "identity theft" has not occurred.

As respects Expense Reimbursement Coverage, the "identity recovery insured" must send to us, within 60 days after our request, receipts, bills or other records that support his or her claim for "identity recovery expenses."

B. Services

The following conditions apply as respects any services provided by us or our designees to any "identity recovery insured" under this endorsement:

1. Our ability to provide helpful services in the event of an "identity theft" depends on the cooperation, permission and assistance of the "identity recovery insured."
2. All services may not be available or applicable to all individuals. For example, "identity recovery insureds" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
3. We do not warrant or guarantee that our services will end or eliminate all problems associated with an "identity theft" or prevent future "identity thefts."

DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

1. **"Identity Recovery Case Manager"** means one or more individuals assigned by us to assist an "identity recovery insured" with communications we deem necessary for re-establishing the integrity of the personal identity of the "identity recovery insured." This includes, with the permission and cooperation of the "identity recovery insured," written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.
2. **"Identity Recovery Expenses"** means the following when they are reasonable and necessary expenses that are incurred as a direct result of an "identity theft":
 - a. Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an "identity theft."
 - b. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of your efforts to report an "identity theft" or amend or rectify records as to your true name or identity as a result of an "identity theft."

- c. Costs for credit reports from established credit bureaus.
- d. Fees and expenses for an attorney approved by us for the following:
 - (1) The defense of any civil suit brought against an "identity recovery insured."
 - (2) The removal of any civil judgment wrongfully entered against an "identity recovery insured."
 - (3) Legal assistance for an "identity recovery insured" at an audit or hearing by a governmental agency.
 - (4) Legal assistance in challenging the accuracy of the "identity recovery insured's" consumer credit report.
 - (5) The defense of any criminal charges brought against an "identity recovery insured" arising from the actions of a third party using the personal identity of the "identity recovery insured."
- e. Actual lost wages of the "identity recovery insured" for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self-employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.
- f. Actual costs for supervision of children or elderly or infirm relatives or dependents of the "identity recovery insured" during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured."
- g. Actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured."
- h. Any other reasonable costs necessarily incurred by an "identity recovery insured" as a direct result of the "identity theft."
 - (1) Such costs include:
 - (A) Costs by the "identity recovery insured" to recover control over his or her personal identity.
 - (B) Deductibles or service fees from financial institutions.

(2) Such costs do not include:

- (A) Costs to avoid, prevent or detect "identity theft" or other loss.
- (B) Money lost or stolen.
- (C) Costs that are restricted or excluded elsewhere in this endorsement or policy.

3. "Identity Recovery Insured" means the following:

- a. When the entity insured under this policy is a sole proprietorship, the "identity recovery insured" is the individual person who is the sole proprietor of the insured entity.
- b. When the entity insured under this policy is a partnership, the "identity recovery insureds" are the current partners.
- c. When the entity insured under this policy is a corporation or other organization, the "identity recovery insureds" are all individuals having an ownership position of 20% or more of the insured entity. However, if and only if there is no one who has such an ownership position, then the "identity recovery insured" shall be:
 - (1) The chief executive of the insured entity.
 - (2) As respects a religious institution, the senior ministerial employee.
 - (3) As respects a school, school district or municipality, the senior administrator.
 - (4) As respects a not-for-profit corporation or other organization, which is not a religious institution, municipality, school, or school district, the executive director of the insured entity or the chairperson of the insured entity's board of directors.

An "identity recovery insured" must always be an individual person. The entity insured under this policy is not an "identity recovery insured."

4. "Identity Theft" means the fraudulent use of the social security number or other method of identifying an "identity recovery insured." This includes fraudulently using the personal identity of an "identity recovery insured" to establish credit accounts, secure loans, enter into contracts or commit crimes.

"Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

All other provisions of this policy apply.

EXCLUSION — LEAD HAZARD

IL 89 48 08 18

THIS EXCLUSION CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
AUTO DEALERS COVERAGE PART
GARAGE POLICY (VIRGINIA ONLY)
OWNERS and CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE and HIGHWAY LIABILITY POLICY - NEW YORK DEPARTMENT
OF TRANSPORTATION

This insurance does not apply to:

- a. "Bodily injury" arising out of the ingestion, inhalation or absorption of lead in any form;
 - b. "Property damage" or "personal and advertising injury" arising from the presence of lead in any form; or
 - c. Any loss, cost or expense arising out of any orders by, or on behalf of, any governmental authority to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize lead in any form;
- at or from any premises, sites or locations which are, or were at any time, owned by, rented to, loaned to, or used by any insured, or arising from operations by any insured.

ASBESTOS EXCLUSION**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE PART
 BUSINESSOWNERS COVERAGE PART
 CAUSES OF LOSS — BASIC FORM
 CAUSES OF LOSS — BROAD FORM
 CAUSES OF LOSS — SPECIAL FORM
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 AUTO DEALERS COVERAGE PART
 MOTOR CARRIER COVERAGE PART
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
 PRODUCT/COMPLETED OPERATIONS LIABILITY COVERAGE PART

1. It is agreed that this insurance does not apply to any loss or damage relating to the actual, alleged, or threatened presence of, or exposure to, "asbestos," including inhalation, ingestion, irritation, absorption or other similar physical exposure to "asbestos." Such presence of, or exposure to, "asbestos" includes, but is not limited to:
 - a. structures or manufacturing processes containing "asbestos";
 - b. the disposal of "asbestos" or goods, products or materials containing "asbestos";
 - c. the storing or presence of "asbestos" or goods, products or materials containing "asbestos"; or
 - d. the removal of "asbestos" from any goods, products, materials, structures or manufacturing processes,

whether or not such "asbestos" is airborne.
2. We shall have no obligation under this coverage part:
 - a. to investigate, settle or defend any claim or "suit" against any "insured" alleging actual or threatened injury or damage of any nature or kind to persons or property which arises out of or would not have occurred but for the presence of, or exposure to, "asbestos"; or
 - b. to pay any damages, judgments, settlements, losses, costs or expenses of any kind or nature that may be awarded or incurred by reason of any such claim or suit or any such actual or threatened injury or damage from "asbestos"; or
 - c. for any losses, costs or expenses arising out of any obligation, order, direction or request of or upon any insured or others, including, but not limited to, any governmental obligation, order, direction or request, to test for, monitor, clean up, remove, contain, treat, neutralize, in any way respond to, or assess the effects of "asbestos."
3. "Asbestos" includes asbestos, asbestos fibers, asbestos materials, and asbestos products, or any goods or products containing asbestos or asbestos fibers, materials, or products.

COMMERCIAL PROPERTY COVERAGE DECLARATION**Policy Effective Date:** DECEMBER 14, 2019**Coverage Effective Date:** DECEMBER 14, 2019**Insurance is provided only for those coverages for which a specific limit is shown in the following coverage schedule****Coverage — Scheduled Locations**

Prem. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Cause of Loss	Coins	Deductible	Valuation	Inflation Guard
1	1	BPP INCL STOCK	\$135,000	SPECIAL	90%	\$1,000	RC	

Coverage — Blanket Locations

Prem. No.	Bldg. No.	Coverage	Rating Value	Covered Cause of Loss	Coins	Deductible	Valuation	Inflation Guard	Blanket ID #

Business Income

Prem. No.	Bldg. No.	Coverage Type	Limit of Insurance	BI Waiting Period (hrs)	Coins	Monthly Limit of Indemnity	Max Period of Indemnity	Extended Period of Indemnity	Blanket ID #
1	1	BI INCLUDING RV	ACTUAL LOSS	72					

Blanket Coverage

Blanket ID #	Blanket Group	Total Blanket Limit

Extra Expense

Prem. No.	Bldg. No.	Limit of Insurance	Monthly Limitation	Prem. No.	Bldg. No.	Limit	Monthly Limitation

Forms and Endorsements:

Refer to "Commercial Policy Forms and Endorsement Schedule"

Premium Amount
\$1,000.00

(This premium may be subject to adjustment)

Previous Policy Number

NEW

Policy Number

S 2416351

COMMERCIAL PROPERTY MORTGAGE HOLDERS SCHEDULE**Policy Effective Date:** DECEMBER 14, 2019**Schedule Effective Date:** DECEMBER 14, 2019

Prem. No.	Bldg. No.	Mortgage Holder Name and Address

PROTECTIVE SAFEGUARDS

POLICY NUMBER: S 2416351

COMMERCIAL PROPERTY
CP 04 11 09 17**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY**SCHEDULE**

Premises Number	Building Number	Protective Safeguards Symbols Applicable
1	1	P-1
Describe Any "P-9":		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

- A.** The following is added to the Commercial Property Conditions:

Protective Safeguards

As a condition of this insurance, you are required to:

1. Maintain the protective safeguards listed in the Schedule, and over which you have control, in complete working order;
2. Actively engage and maintain in the "on" position at all times any automatic fire alarm or other automatic system listed in the Schedule; and
3. Notify us if you know of any suspension of or impairment in any protective safeguard listed in the Schedule.

However, if part of an Automatic Sprinkler System or Automatic Commercial Cooking Exhaust And Extinguishing System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

- B.** The following is added to the **Exclusions** section of:

Causes Of Loss — Basic Form

Causes Of Loss — Broad Form

Causes Of Loss — Special Form

Mortgageholders Errors And Omissions Coverage Form

Standard Property Policy

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you failed to comply with any condition set forth in Paragraph **A**.

- C.** The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" Automatic Sprinkler System, including related supervisory services.

Automatic Sprinkler System means:

- a. Any automatic fire protective or extinguishing system, including connected:
 - (1) Sprinklers and discharge nozzles;
 - (2) Ducts, pipes, valves and fittings;
 - (3) Tanks, their component parts and supports; and
 - (4) Pumps and private fire protection mains.
- b. When supplied from an automatic fire protective system:
 - (1) Non-automatic fire protective systems; and
 - (2) Hydrants, standpipes and outlets.

"P-2" Automatic Fire Alarm, protecting the entire building, that is:

- a. Connected to a central station; or
- b. Reporting to a public or private fire alarm station.

"P-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

"P-4" Service Contract with a privately owned fire department providing fire protection service to the described premises.

"P-5" Automatic Commercial Cooking Exhaust And Extinguishing System installed on cooking appliances and having the following components:

- a. Hood;
- b. Grease removal device;
- c. Duct system; and
- d. Wet chemical fire extinguishing equipment.

"P-9", the protective system described in the Schedule.

CIVIL AUTHORITY CHANGE(S)

POLICY NUMBER: s 2416351

COMMERCIAL PROPERTY
CP 15 32 06 07**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
 BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
 EXTRA EXPENSE COVERAGE FORM

SCHEDULE

Premises Number	Building Number	Schedule Part A Coverage Period (Number Of Days)	Schedule Part B Radius (Number Of Miles)
ALL	ALL		5 MILES
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

A. Coverage Period

Under the Additional Coverage — Civil Authority, the four-week coverage period is replaced by the number of days indicated in Part A of the Schedule, subject to all other provisions of that Additional Coverage. If there is no entry in Part A of the Schedule, the four-week coverage period continues to apply, subject to all other provisions of the Additional Coverage — Civil Authority.

B. Radius

The Additional Coverage — Civil Authority includes a requirement that the described premises are not more than one mile from the damaged property. Such one-mile radius is replaced by the number of miles indicated in Part B of the Schedule, subject to all other provisions of that Additional Coverage. If there is no entry in Part B of the Schedule, the one-mile radius continues to apply, subject to all other provisions of the Additional Coverage — Civil Authority.

C. The coverage provided under this endorsement does not increase the applicable Limit of Insurance.

Previous Policy Number

Policy Number

ElitePac® Schedule — Manufacturers

COVERAGE	LIMIT
Additional Costs	\$25,000
Additional Property Covered:	
The cost of excavations, grading, backfilling or filling	Included in Bldg Limit
Foundations of buildings, structures, machinery or boilers	Included in Bldg Limit
Personal property while airborne or waterborne	Included in BPP Limit
Underground pipes, flues or drains	Included in Bldg Limit
Arson, Theft and Vandalism Rewards (not applicable in New York)	\$25,000
Back Up Of Sewer, Drain Or Sump - Direct Damage	\$100,000
Brands and Labels	Included in BPP Limit
Building Owner - Tenant Move Back Expenses	\$25,000
Business Income/Extra Expense Related Additional Coverages	
Auto Physical Damage Business Income	\$25,000
Back Up Of Sewer, Drain Or Sump - Business Income	\$100,000
Building Owner - Lessor's Leasehold Interest	\$25,000
Contractual Penalty	\$25,000
Denial of Service	\$25,000
Dependent Properties	\$100,000
Extended Period of Indemnity	180 Days
Extra Expense (applies if no Business Income - ALS coverage)	\$100,000
Food Contamination Shutdown	\$25,000
Increased Realty Tax Assessment	\$25,000
Ingress or Egress	\$50,000
Newly Acquired Locations - Business Income	\$250,000
Pollutant Clean-up and Removal - Business Income	\$25,000
Project R & D Documentation and Prototypes Business Income	Included in BI Limit
Transit Business Income	\$25,000
Unnamed Premises - Business Income	\$10,000
Utility Services - Time Element	\$25,000
Business Personal Property Seasonal Increase	10%

COVERAGE	LIMIT
Change of Temperature and Humidity	Included
Claim Expenses	\$25,000
Consequential Loss to Stock	Included in Valuation
Debris Removal - Additional Limit	\$25,000
Deductible (waiver of multiple property deductibles)	Included
Deferred Payments	\$25,000
Fire Department Service Charge	\$10,000
Fire Extinguishing Equipment	Actual Loss Sustained
Inland Marine Related Coverages	
Accounts Receivable	\$100,000
Electronic Information Systems (aka Computer Equipment and Electronic Data)	\$100,000
Fine Arts	\$25,000
Installation Property	\$25,000
Mobile Equipment	\$25,000
Personal Effects - Within the Coverage Territory	\$5,000 Per Person \$25,000 Per Occurrence
Personal Effects - Outside the Coverage Territory	\$5,000 Per Person \$25,000 Per Occurrence
Property in Transit - Within the Coverage Territory	\$50,000
Property in Transit - Outside The Coverage Territory	\$10,000
Refrigerated Property - In Transit	\$25,000
Salesperson's Samples - Within the Coverage Territory	\$50,000
Salesperson's Samples - Outside the Coverage Territory	\$10,000
Tools and Equipment	\$10,000
Valuable Papers and Records	\$100,000
Lock Replacement	\$10,000
Marring and Scratching	Included
Members and Guests Property	\$1,000 Per Person \$25,000 Per Occurrence
Newly Acquired or Constructed Property - Building Per Location	\$2,000,000
Newly Acquired or Constructed Property - Business Personal Property Per Location	\$1,000,000
Non-Owned Detached Trailers	\$10,000

COVERAGE	LIMIT
Ordinance or Law Coverage	
Coverage A - Undamaged Parts of a Building	Included in Bldg Limit
Coverage B - Demolition Cost	\$500,000
Coverage C - Increased Cost of Construction	\$500,000
Coverage D - Tenants Improvements and Betterments	\$25,000
Outdoor Property	\$100,000
Outdoor Trees, Shrubs and Plants (\$2,500 any one item)	\$25,000
Personal Property At Unnamed Premises - Within The Coverage Territory	\$50,000
Personal Property At Unnamed Premises - Outside The Coverage Territory	\$10,000
Personal Property of Others	Included in BPP Limit
Pollutant Clean-up and Removal	\$25,000
Premises Boundary Increased Distance	1,000 Feet
Preservation of Property	60 Days
Replacement Cost Valuation for Personal Property of Others	Included
Selling Price Valuation	Included
Spoilage (formerly Refrigerated Property)	\$25,000
Tenant Building and Business Personal Property Coverage Required By Lease	\$25,000
Tenant's Building Glass Liability	Included in BPP Limit
Tenant Lease Assessment	\$5,000
Tenant Leasehold Improvements	\$25,000
Theft Damage to Building	Included in BPP Limit
Theft Limitation Amendments	
Furs	\$5,000
Patterns, Dies, Molds and Forms	Included in BPP Limit
Precious Metals	\$100,000
Utility Service - Direct Damage	\$25,000
Voluntary Parting by Trick, Scheme or Device	Included

SYSTEMS POWER PAC DEDUCTIBLE

POLICY NUMBER: S 2416351

COMMERCIAL PROPERTY
CP 80 11 04 06**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

SYSTEMS POWER PAC

The following is added to Systems Power Pac:

SCHEDULE

The Deductibles applicable to any one "accident" are shown below:

Prem. No.	Bldg. No.	Deductible(s)
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Unless otherwise shown in the Schedule above, the deductible(s) will be:

DIRECT COVG \$2,500

INDIRECT COVERAGES APPLICABLE ONLY WHEN INDIRECT COVERAGES ARE WRITTEN

INDRCT COVG 48 HOURS

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

COMMERCIAL PROPERTY
CP 00 10 10 12

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H. Definitions.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2.** Property Not Covered, if a Limit Of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire-extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;
 - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. Your Business Personal Property consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

c. Personal Property Of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This Paragraph, n., does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or
- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or

q. The following property while outside of buildings:

- (1) Grain, hay, straw or other crops;
- (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes Of Loss form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
 - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
 - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
 - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
 - (d) Remove property of others of a type that would not be Covered Property under this Coverage Form;
 - (e) Remove deposits of mud or earth from the grounds of the described premises;

(f) Extract "pollutants" from land or water; or

(g) Remove, restore or replace polluted land or water.

(3) Subject to the exceptions in Paragraph (4), the following provisions apply:

(a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.

(b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.

(4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

(b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

Example 1

Limit of Insurance:	\$	90,000
Amount of Deductible:	\$	500
Amount of Loss:	\$	50,000
Amount of Loss Payable:	\$	49,500
		(\$50,000 - \$500)
Debris Removal Expense:	\$	10,000
Debris Removal Expense Payable:	\$	10,000
(\$10,000 is 20% of \$50,000.)		

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

Example 2

Limit of Insurance:	\$	90,000
Amount of Deductible:	\$	500
Amount of Loss:	\$	80,000
Amount of Loss Payable:	\$	79,500
		(\$80,000 - \$500)
Debris Removal Expense:	\$	40,000
Debris Removal Expense Payable		
Basic Amount:	\$	10,500
Additional Amount:	\$	25,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000, capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 is 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph (4). Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in **e.(3)** through **e.(9)** of this Additional Coverage.
- (3) The ordinance or law referred to in **e.(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You were required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
 - (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
 - (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:
 - (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced at the same or another premises; and
 - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.
 - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

- (9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(6) of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
- (a) If the Causes Of Loss - Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (b) If the Causes Of Loss - Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
- (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.

- (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired Or Constructed Property

(1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and

(b) Buildings you acquire at locations, other than the described premises, intended for:

- (i) Similar use as the building described in the Declarations; or
- (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

(2) Your Business Personal Property

(a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

- (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
- (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

(b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

(a) This policy expires;

(b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

(c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers And Records (Other Than Electronic Data)

(1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.

(2) If the Causes Of Loss - Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.

(3) If the Causes Of Loss - Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.

- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

d. Property Off-premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
- (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
- (a) In or on a vehicle; or
 - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;

- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

f. Non-owned Detached Trailers

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
- (a) The trailer is used in your business;
 - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
 - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
- (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
 - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.

- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

g. Business Personal Property Temporarily In Portable Storage Units

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the building or structure described in the Declarations or within 100 feet of the premises described in the Declarations, whichever distance is greater.
- (2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.
- (3) Coverage under this Extension:
- (a) Will end 90 days after the business personal property has been placed in the storage unit;
 - (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.
- (4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.

- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

Example 1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance - Building 1:	\$ 60,000
Limit of Insurance - Building 2:	\$ 80,000
Loss to Building 1:	\$ 60,100
Loss to Building 2:	\$ 90,000

The amount of loss to Building 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building 1:

\$ 60,100	
- 250	
<hr/>	
\$ 59,850	Loss Payable - Building 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building 2. Loss payable for Building 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

$$\$59,850 + \$80,000 = \$139,850$$

Example 2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example 1.

Loss to Building 1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building 2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable - Building 1:	\$ 60,000
(Limit of Insurance)	
Loss Payable - Building 2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:
 - (1) Notify the police if a law may have been broken.
 - (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

- (8) Cooperate with us in the investigation or settlement of the claim.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

- (1) Pay the value of lost or damaged property;
- (2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;
- (3) Take all or any part of the property at an agreed or appraised value; or
- (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

- d. We will not pay you more than your financial interest in the Covered Property.

- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:

- (1) We have reached agreement with you on the amount of loss; or

- (2) An appraisal award has been made.

- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Vacancy

a. Description Of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:
- (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
- (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
- (i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
- (ii) Used by the building owner to conduct customary operations.
- (2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss:
- (a) Vandalism;
- (b) Sprinkler leakage, unless you have protected the system against freezing;
- (c) Building glass breakage;
- (d) Water damage;
- (e) Theft; or
- (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in **b.**, **c.**, **d.** and **e.** below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value, even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
- (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
- (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
- (b) Divide the amount determined in **(a)** above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (3) Nothing if others pay for repairs or replacement.

F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example 1 (Underinsurance)

When: The value of the property is: \$ 250,000
 The Coinsurance percentage for it is: 80%
 The Limit of Insurance for it is: \$ 100,000
 The Deductible is: \$ 250
 The amount of loss is: \$ 40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
 (the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000 \div \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

Example 2 (Adequate Insurance)

When: The value of the property is: \$ 250,000
 The Coinsurance percentage for it is: 80%
 The Limit of Insurance for it is: \$ 200,000
 The Deductible is: \$ 250
 The amount of loss is: \$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$250,000 \times 80\%$). Therefore, the Limit of Insurance in this example is adequate, and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example 3

When: The value of the property is:
 Building at Location 1: \$ 75,000
 Building at Location 2: \$ 100,000
 Personal Property at Location 2: \$ 75,000
 \$ 250,000

The Coinsurance percentage for it is: 90%

The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is: \$ 180,000

The Deductible is: \$ 1,000

The amount of loss is:

Building at Location 2: \$ 30,000

Personal Property at Location 2: \$ 20,000
 \$ 50,000

Step (1): $\$250,000 \times 90\% = \$225,000$

(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $\$180,000 \div \$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$

Step (4): $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
 - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item:

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
 - (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
 - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example

If: The applicable Limit of Insurance is: \$ 100,000
 The annual percentage increase is: 8%
 The number of days since the beginning of the policy year (or last policy change) is: 146
 The amount of increase is:
 $\$100,000 \times .08 \times 146 \div 365 =$ \$ 3,200

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - (1) Personal property of others;
 - (2) Contents of a residence;
 - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
 - (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
 - (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph 3.b.(1) of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

COMMERCIAL PROPERTY
CP 00 30 10 12

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

A. Coverage

1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit Of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit Of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises means:

- (a) The portion of the building which you rent, lease or occupy;
- (b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.

- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

3. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

4. Additional Limitation - Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- d. This Additional Limitation does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

5. Additional Coverages

a. Civil Authority

In this Additional Coverage, Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority Coverage for Business Income ends;

whichever is later.

b. Alterations And New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:

- (a) Used in the construction, alterations or additions; or
- (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

c. Extended Business Income

(1) Business Income Other Than "Rental Value"

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
 - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 60 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

(2) "Rental Value"

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
 - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 60 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

d. Interruption Of Computer Operations

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation - Interruption Of Computer Operations.
- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss. However, we will not provide coverage under this Additional Coverage when the Additional Limitation - Interruption Of Computer Operations does not apply based on Paragraph A.4.d. therein.
- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:

- (a) If the Causes Of Loss - Special Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
 - (b) If the Causes Of Loss - Broad Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Interruption Of Computer Operations.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage, Interruption Of Computer Operations, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption

which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

- (5) This Additional Coverage, Interruption Of Computer Operations, does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

6. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

Newly Acquired Locations

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location, unless a higher limit is shown in the Declarations.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
 - (1) This policy expires;
 - (2) 30 days expire after you acquire or begin to construct the property; or
 - (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The Additional Condition, Coinsurance, does not apply to this Extension.

B. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

- 1. Alterations And New Buildings;
- 2. Civil Authority;
- 3. Extra Expense; or
- 4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage.

C. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event Of Loss

- a. You must see that the following are done in the event of loss:
 - (1) Notify the police if a law may have been broken.
 - (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not

a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (7) Cooperate with us in the investigation or settlement of the claim.
- (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Loss Determination

- a. The amount of Business Income loss will be determined based on:
 - (1) The Net Income of the business before the direct physical loss or damage occurred;
 - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
 - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and

(4) Other relevant sources of information, including:

- (a) Your financial records and accounting procedures;
- (b) Bills, invoices and other vouchers; and
- (c) Deeds, liens or contracts.

b. The amount of Extra Expense will be determined based on:

- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
- (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

D. Additional Condition

COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

- 1. The Coinsurance percentage shown for Business Income in the Declarations; times
- 2. The sum of:
 - a. The Net Income (Net Profit or Loss before income taxes), and
 - b. Operating expenses, including payroll expenses,
 that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay using the following steps:

Step (1): Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;

Step (2): Divide the Limit of Insurance for the described premises by the figure determined in Step (1); and

Step (3): Multiply the total amount of loss by the figure determined in Step (2).

We will pay the amount determined in Step (3) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight - outgoing;
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;

- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form **CP 15 11** is attached);
- (11) All payroll expenses or the amount of payroll expense excluded (if Form **CP 15 10** is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion - not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

Example 1 (Underinsurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$150,000

The amount of loss is: \$ 80,000

Step (1): $\$400,000 \times 50\% = \$200,000$

(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$150,000 \div \$200,000 = .75$

Step (3): $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

Example 2 (Adequate Insurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$200,000

The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$400,000 \times 50\%$). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

E. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:
 - (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
 - (2) The Limit Of Insurance shown in the Declarations.

2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
 - (1) The Limit of Insurance, multiplied by
 - (2) The fraction shown in the Declarations for this Optional Coverage.

Example

When: The Limit of Insurance is: \$120,000

The fraction shown in the Declarations for this Optional Coverage is: 1/4

The most we will pay for loss in each period of 30 consecutive days is: \$ 30,000

$(\$120,000 \times 1/4 = \$30,000)$

If, in this example, the actual amount of loss is:

Days 1-30: \$ 40,000

Days 31-60: \$ 20,000

Days 61-90: \$ 30,000
\$ 90,000

We will pay:

Days 1-30: \$ 30,000

Days 31-60: \$ 20,000

Days 61-90: \$ 30,000
\$ 80,000

The remaining \$10,000 is not covered.

3. Business Income Agreed Value

a. To activate this Optional Coverage:

(1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":

(a) During the 12 months prior to the date of the Work Sheet; and

(b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

(2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:

(a) The Coinsurance percentage shown in the Declarations; multiplied by

(b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.

b. The Additional Condition, Coinsurance, is suspended until:

(1) 12 months after the effective date of this Optional Coverage; or

(2) The expiration date of this policy; whichever occurs first.

c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:

(1) Within 12 months of the effective date of this Optional Coverage; or

(2) When you request a change in your Business Income Limit of Insurance.

d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:

(1) The Business Income Limit of Insurance; divided by

(2) The Agreed Value.

Example

When: The Limit of Insurance is: \$100,000

The Agreed Value is: \$200,000

The amount of loss is: \$ 80,000

Step (1): $\$100,000 \div \$200,000 = .50$

Step (2): $.50 \times \$80,000 = \$40,000$

We will pay \$40,000. The remaining \$40,000 is not covered.

4. Extended Period Of Indemnity

Under Paragraph A.5.c., **Extended Business Income**, the number 60 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

F. Definitions

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:
- a. Your business activities occurring at the described premises; and
 - b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.
3. "Period of restoration" means the period of time that:
- a. Begins:
 - (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.
- "Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:
- (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or
 - (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Rental Value" means Business Income that consists of:
- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
 - b. Continuing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
6. "Suspension" means:
- a. The slowdown or cessation of your business activities; or
 - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

The expiration date of this policy will not cut short the "period of restoration".

COMMERCIAL PROPERTY CONDITIONS**COMMERCIAL PROPERTY**

This "Coverage Part is subject to the following conditions the Common policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning

1. This Coverage Part;
2. The Covered property;
3. Your interest in the Covered property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPER

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGE

If two or more of this policy's coverages apply to the same loss or damage we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the Coverage under this Coverage Part without addi-

tional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

No person or organization other than you having custody of Covered property will benefit from this insurance

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this "Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada

COMMERCIAL PROPERTY

1. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.

2. After a loss to your Covered Property or Covered income only if, at time of loss, that party is one of the following:

- a. Someone insured by this insurance;
- b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
- c. Your tenant.

This will not restrict your insurance.

WISCONSIN CHANGES**COMMERCIAL PROPERTY
CP 01 13 10 12****THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

- A. The Concealment, Misrepresentation Or Fraud Commercial Property Condition** is replaced by the following:

CONCEALMENT, MISREPRESENTATION OR FRAUD

1. No misrepresentation and no breach of affirmative warranty made by you or on your behalf in the negotiation for or procurement of this Coverage Part affects our obligations unless, if a misrepresentation, the person knew or should have known that the representation was false, and unless:
 - a. We rely on the misrepresentation or affirmative warranty and the misrepresentation or affirmative warranty is either material or made with intent to deceive; or
 - b. The facts misrepresented or falsely warranted contribute to the loss.
2. No failure of a condition before a loss and no breach of a promissory warranty affects our obligation under this Coverage Part unless such failure or breach exists at the time of loss and either:
 - a. Increases the risk at the time of loss; or
 - b. Contributes to the loss.

B. Legal Action Against Us

1. The **Legal Action Against Us** Commercial Property Condition is replaced by the following:

LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless the action is brought within 2 years after the date on which the direct physical loss or damage occurred.

2. Paragraph (1) of Additional Condition **F.4.e. Legal Action Against Us** in the Mortgageholders Errors And Omissions Coverage Form is replaced by the following:

No one may bring a legal action against us under Coverages **A** and **B** unless the action is brought within 2 years after you discover the error or accidental omission.

3. The following are deleted:
 - a. The Legal Action Against Us Loss Condition in the Legal Liability Coverage Form; and

- b. Paragraph (2) of Additional Condition **F.4.e. Legal Action Against Us** in the Mortgageholders Errors And Omissions Coverage Form.

- C. The following exclusion and related provisions are added to Paragraph **B.2. Exclusions** in the Causes Of Loss Forms and to any Coverage Form or policy to which a Causes Of Loss Form is not attached:**

1. We will not pay for loss or damage arising out of any act committed:
 - a. By or at the direction of any insured; and
 - b. With the intent to cause a loss.
2. However, this exclusion will not apply to deny coverage to an insured who did not cooperate in or contribute to the creation of the loss, provided the loss is otherwise covered under this Coverage Part and:
 - a. The loss arose out of an act or pattern of abuse or domestic abuse; and
 - b. The perpetrator of the loss is criminally prosecuted for the act or acts causing the loss.
3. If we pay a claim pursuant to Paragraph **C.2.**, our payment to the innocent insured is limited to that insured's ownership interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

- D. The following is added to the **Transfer Of Rights Of Recovery Against Others To Us** Commercial Property Condition:**

If we pay an insured for a loss described in Paragraph **C.2.**, the rights of the insured to recover damages from the perpetrator are transferred to us to the extent of our payment. Following the loss, the insured may not waive such rights to recover against the perpetrator.

We will be entitled to a recovery only after you have been fully compensated for damages.

- E. The following are added:**

1. Knowledge And Acts Of Agents

- a. If any of our agents knows any fact that breaches a condition of this policy, we will be considered to know it also if that fact:

- (1) Is known to the agent at the time the policy is issued or an application made; or
- (2) Later becomes known to the agent in the course of his or her dealings as an agent with you.

b. Any fact that breaches a condition of this policy and is known to the agent before the loss will not:

- (1) Void this policy; or
- (2) Prevent a recovery in the event of loss.

2. The **Ordinance Or Law** Exclusion in the Basic, Broad and Special - Causes Of Loss Forms, or in any endorsement, does not apply to dwelling properties occupied as a residence by you.

3. **Conformity To Statute Or Rule**

Any provision of this Coverage Part (including endorsements which modify the Coverage Part) that is in conflict with a Wisconsin statute or rule is hereby amended to conform to that statute or rule.

The term rule means a valid rule promulgated by the Commissioner of Insurance in accordance with the rule-making authority conferred under Wis. Stat. Ann. s. 227.11(2) and published in the Wisconsin Administrative Code.

F. The following is added to the **Loss Payment** Loss Condition in the Commercial Property Coverage Part:

If a municipality, which is a first class city, has elected to apply the provisions of Wis. Stat. Ann. Secs. 632.10 through 632.104, a part of our payment for fire or explosion loss or damage to your covered real property in that municipality will be withheld if the loss or damage is subject to the aforementioned provisions.

- 1. The withheld amount will be paid in accordance with the law, to the following:
 - a. The municipality where the covered property is located;
 - b. You and any other interest named in the Declarations; or
 - c. The mortgageholder, if any.

However, we will not pay more than the amount of loss payable under this policy.

2. Within 10 days after withholding the required amount, we will give written notice of the withholding to the following:

- a. The building inspection official of the municipality where the covered property is located;
- b. You;
- c. Any mortgageholder and any other lienholder who has an existing lien against the property and is named in the Declarations; and
- d. The court in which judgment was entered if the final settlement was determined by judgment.

3. We will not be liable in any cause of action, nor may any liability be imposed on us, arising from the payment, withholding or transferring of all or any portion of a final settlement in accordance with Wis. Stat. Ann. Secs. 632.10 through 632.104.

G. The following is added to the **Valuation** Loss Condition:

- 1. When this Coverage Part insures real property in Wisconsin which is owned and occupied by you primarily as a dwelling, and the property is wholly destroyed, we will pay the limit of insurance that applies to such property, subject to the exceptions and conditions in Paragraphs **G.2.** and **G.3.** below.
- 2. Builders Risk policies of insurance covering property in the process of being constructed shall be valued and settled according to the actual value of that portion of the construction completed at the time of the loss. The Limit of Insurance on a Builders Risk policy represents the value of the building when it is completed.
- 3. The Valued Policy Provision, Paragraph **G.1.** above, does not apply to any claim for loss to any building which is insured under a blanket form or endorsement with one Limit of Insurance applicable to two or more buildings. When a building, owned and occupied by you primarily as a dwelling, is wholly destroyed, the loss will be settled at the value stated in the most recent Statement of Values on file with us.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

COMMERCIAL PROPERTY
CP 01 40 07 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.
- However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
- 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
 - 2.** Additional Coverage — Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

CAUSES OF LOSS — SPECIAL FORM**COMMERCIAL PROPERTY
CP 10 30 09 17**

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G**. Definitions.

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Earthquake, including tremors and after-shocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

With respect to coverage for Volcanic Action as set forth in **(5)(a)**, **(5)(b)** and **(5)(c)**, all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion applies regardless of whether any of the above, in Paragraphs **(1)** through **(5)**, is caused by an act of nature or is otherwise caused.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

f. War And Military Action

- (1) War, including undeclared or civil war;

- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);

- (2) Mudslide or mudflow;

- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;

- (4) Water under the ground surface pressing on, or flowing or seeping through:

- (a) Foundations, walls, floors or paved surfaces;

- (b) Basements, whether paved or not; or

- (c) Doors, windows or other openings; or

- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

h. "Fungus", Wet Rot, Dry Rot And Bacteria

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria result in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungus", wet or dry rot or bacteria result from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or micro-waves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b.** Delay, loss of use or loss of market.
- c.** Smoke, vapor or gas from agricultural smudging or industrial operations.

d.(1) Wear and tear;

- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.

- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

- (7) The following causes of loss to personal property:

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e.** Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- f.** Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1) You do your best to maintain heat in the building or structure; or
 - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;
- (2) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, including any of the following conditions of property or any part of the property:
 - (1) An abrupt falling down or caving in;
 - (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, **k.**, does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage, Collapse; or
 - (b) To collapse caused by one or more of the following:
 - (i) The "specified causes of loss";
 - (ii) Breakage of building glass;
 - (iii) Weight of rain that collects on a roof; or
 - (iv) Weight of people or personal property.
 - l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".
- This exclusion, **l.**, does not apply to damage to glass caused by chemicals applied to the glass.
- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
 - 3. We will not pay for loss or damage caused by or resulting from any of the following, **3.a.** through **3.c.** But if an excluded cause of loss that is listed in **3.a.** through **3.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
 - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph **1.** above to produce the loss or damage.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;

- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
- of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or
 - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.
- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.

- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
- (5) Any other consequential loss.

b. Leasehold Interest Coverage Form

- (1) Paragraph **B.1.a.**, Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
 - (a) Your cancelling the lease;
 - (b) The suspension, lapse or cancellation of any license; or
 - (c) Any other consequential loss.

c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form:
 - (a) Paragraph **B.1.a.** Ordinance Or Law;
 - (b) Paragraph **B.1.c.** Governmental Action;
 - (c) Paragraph **B.1.d.** Nuclear Hazard;
 - (d) Paragraph **B.1.e.** Utility Services; and
 - (e) Paragraph **B.1.f.** War And Military Action.
- (2) The following additional exclusions apply to insurance under this Coverage Form:
 - (a) **Contractual Liability**

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

 - (i) Your assumption of liability was executed prior to the accident; and
 - (ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

5. Additional Exclusion

The following provisions apply only to the specified property:

Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated:

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
 - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
- c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

 - (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
 - (2) Business Income Coverage or Extra Expense Coverage.
- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
- f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
 - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
 - (2) Changes in or extremes of temperature;
 - (3) Disease;
 - (4) Frost or hail; or
 - (5) Rain, snow, ice or sleet.
2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
 - a. Animals, and then only if they are killed or their destruction is made necessary.

- b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

(1) Glass; or

(2) Containers of property held for sale.

- c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

(1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

(2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):

- a. \$2,500 for furs, fur garments and garments trimmed with fur.
- b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c. \$2,500 for patterns, dies, molds and forms.
- d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:
- a. Results in discharge of any substance from an automatic fire protection system; or
 - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

D. Additional Coverage — Collapse

The coverage provided under this Additional Coverage, Collapse, applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

1. For the purpose of this Additional Coverage, Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;

b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;

c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.

d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:

(1) A cause of loss listed in **2.a.** or **2.b.**;

(2) One or more of the "specified causes of loss";

(3) Breakage of building glass;

(4) Weight of people or personal property; or

(5) Weight of rain that collects on a roof.

3. This **Additional Coverage — Collapse** does not apply to:

a. A building or any part of a building that is in danger of falling down or caving in;

b. A part of a building that is standing, even if it has separated from another part of the building; or

- c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
4. With respect to the following property:
- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
 - b. Awnings, gutters and downspouts;
 - c. Yard fixtures;
 - d. Outdoor swimming pools;
 - e. Fences;
 - f. Piers, wharves and docks;
 - g. Beach or diving platforms or appurtenances;
 - h. Retaining walls; and
 - i. Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:
- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
 - (2) The property is Covered Property under this Coverage Form.
5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
 - b. The personal property which collapses is inside a building; and
 - c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **5.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

6. This Additional Coverage, Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

7. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
8. The term Covered Cause of Loss includes the Additional Coverage, Collapse, as described and limited in **D.1.** through **D.7.**

E. Additional Coverage — Limited Coverage For “Fungus”, Wet Rot, Dry Rot And Bacteria

1. The coverage described in **E.2.** and **E.6.** only applies when the “fungus”, wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:
- a. A “specified cause of loss” other than fire or lightning; or
 - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

2. We will pay for loss or damage by “fungus”, wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
- a. Direct physical loss or damage to Covered Property caused by “fungus”, wet or dry rot or bacteria, including the cost of removal of the “fungus”, wet or dry rot or bacteria;
 - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the “fungus”, wet or dry rot or bacteria; and
 - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that “fungus”, wet or dry rot or bacteria are present.

3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of “specified causes of loss” (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in “fungus”, wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the “fungus”, wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria cause an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss form or under the Additional Coverage, Collapse.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form:
- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

F. Additional Coverage Extensions

1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
 - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.

- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension **F.3.** does not increase the Limit of Insurance.

G. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - c. Water damage means:
 - (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and

- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe caused by wear and tear, when the pipe is located off the described premises and is connected to or is part of a potable water supply system or sanitary sewer system operated by a public or private utility service provider pursuant to authority granted by the state or governmental subdivision where the described premises are located.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in **c.(1)** or **c.(2)** of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.

SYSTEMS POWER PAC**COMMERCIAL PROPERTY
CP 75 51 05 11****THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART**SECTION — I**

The following is added as an Additional Coverage to the Causes of Loss — Basic Form, Broad Form or Special Form.

A. ADDITIONAL COVERAGE — EQUIPMENT BREAKDOWN.

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident." As used in this Additional Coverage, "accident" means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:
 - a. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - b. Artificially generated electrical, magnetic or electromagnetic energy, including electric arcing, that damages, disturbs, disrupts or otherwise interferes with any electrical or electronic wire, device, appliance, system or network;
 - c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - d. Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
 - e. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
2. Unless otherwise shown in a Schedule, the following coverages also apply to the direct result of an "accident." These coverages do not provide additional amounts of insurance.

a. Expediting Expenses

With respect to your damaged Covered Property, we will pay the reasonable extra cost to:

- (1) Make temporary repairs; and
- (2) Expedite permanent repairs or permanent replacement.

The most we will pay for loss or expense under this coverage is \$250,000 unless otherwise shown in a Schedule.

b. Hazardous Substances

We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance." This includes the additional expenses to clean up or dispose of such property.

This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in **2.c.(1)(b)** below.

As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$250,000 unless otherwise shown in a Schedule.

c. Spoilage**(1) We will pay:**

- (a)** For physical damage to "perishable goods" due to spoilage;
- (b)** For physical damage to "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia;
- c)** Any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

- (2)** If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident," less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

The most we will pay for loss, damage or expense under this coverage is \$250,000 unless otherwise shown in a Schedule or the Spoilage Limit endorsement.

d. Service Interruption

- (1)** Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an "accident" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, propane gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.

- (2)** Unless otherwise shown in a Schedule, we will not pay for any loss of Business Income you sustain that results from the interruption of utility services during the first 24 hours following the "accident." However, if a deductible is shown in the Systems Power Pac Deductible Endorsement as provided for in **SECTION — II, Paragraph A.**, or if the "period of restoration" begins more than 24 hours after the time of the direct physical damage for Business Income, then that deductible or time period will apply instead of the 24 hours provided for in this paragraph.

- (3)** The most we will pay in any "one accident" for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense or Spoilage, except that if a limit is shown in a Schedule for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

e. Business Income and Extra Expense

Any insurance provided under this coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a Business Income deductible is shown in the Systems Power Pac Deductible Endorsement as provided for in **SECTION — II, Paragraph A.**, then as respects Equipment Breakdown coverage, the "period of restoration" will begin immediately after the "accident," and the deductible shown in the Deductible Endorsement will apply.

The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in a Schedule.

f. Animals

We will pay for the loss of or damage to animals owned by others and boarded by you, or if owned by you, only as "stock" while inside of the building and then only if they are killed or their destruction is made necessary.

The most we will pay for loss under this coverage is \$250,000 unless otherwise shown in a Schedule.

B. EXCLUSIONS

All exclusions in the Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this Additional Coverage Equipment Breakdown.

1. The following exclusions are modified:

- a. If the **Causes of Loss — Basic Form** or **Causes of Loss — Broad Form** applies, the following is added to Exclusion **B.2.:**

Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. But if an "accident" results, we will pay for the resulting loss, damage or expense.

- b. The following is added to Exclusion **B.1.g.:**

However, if electrical "covered equipment" requires drying out because of Water as described in **g.(1)** through **g.(3)** above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

- c. If the **Causes of Loss — Special Form** applies, as respects this endorsement only, the last paragraph of Exclusion **B.2.d.** is deleted and replaced with the following:

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in an "accident," we will pay for the loss, damage or expense caused by that "accident."

2. The following exclusions are added:

- a. We will not pay under this endorsement for loss, damage or expense caused by or resulting from:

(1) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or

(2) Any of the following:

- (a) Defect, programming error, programming limitation, computer virus, malicious code, loss of "data," loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind; or

- (b) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident."

3. With respect to Service Interruption coverage, we will also not pay for an "accident" caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in **A.1.c.** above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.

4. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for any increase in loss resulting from an agreement between you and your customer or supplier.

5. We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident": Any mold, fungus, mildew or yeast, including any spores or toxins produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such mold, fungus, mildew or yeast, spores or toxins. However, this exclusion does not apply to spoilage of personal property that is "perishable goods," to the extent that spoilage is covered under Spoilage coverage.

6. We will not pay under this endorsement for any loss or damage to animals, except as provided under **A.2.f. Animals.**

C. DEFINITIONS

The following are added to **G. DEFINITIONS:**

1. "Boilers and vessels" means:

- a. Any boiler, including attached steam, condensate and feedwater piping; and
- b. Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in a Schedule.

2. "Covered equipment"

a. **"Covered equipment"** means unless otherwise specified in a Schedule, Covered Property:

- (1) That generates, transmits or utilizes energy; or
- (2) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

b. None of the following is "covered equipment":

- (1) Structure, foundation, cabinet, compartment or air supported structure or building;
- (2) Insulating or refractory material;
- (3) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler system;
- (4) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (5) "Vehicle" or any equipment mounted on a "vehicle";
- (6) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- (7) Dragline, excavation or construction equipment;
- (8) Equipment manufactured by you for sale; or
- (9) Electronic data processing equipment, unless used to operate or control "covered equipment." Electronic Data Processing Equipment includes programmable electronic equipment that is used to store, retrieve and process data; and associated peripheral equipment.

3. **"Data"** means information or instructions stored in digital code capable of being processed by machinery.

4. **"Hazardous substance"** means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.

5. **"Media"** means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.

6. **"One accident"** means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."

7. **"Perishable goods"** means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.

8. **"Production machinery"** means any machine or apparatus that processes or produces a product intended for eventual sale. However, "production machinery" does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.

This term does not appear elsewhere in this endorsement, but may appear in a Schedule.

9. **"Vehicle"** means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, fork-lift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle."

SECTION — II

The Building and Personal Property Coverage Form is amended as follows.

The definitions stated above also apply to Section II. of this endorsement.

A. DEDUCTIBLE

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown on the Systems Power Pac Deductible Endorsement. If a separate Equipment Breakdown deductible is shown, the following applies:

Only as regards Equipment Breakdown Coverage, provision **D. DEDUCTIBLE** is deleted and replaced with the following:

1. Deductibles for Each Coverage

- a. Unless the Deductible Endorsement indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one accident."
- b. We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the Deductible Endorsement. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- c. If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one accident," only the highest deductible for each coverage will apply.

2. Direct and Indirect Coverages

- a. Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the Deductible Endorsement.
- b. Unless more specifically indicated in the Deductible Endorsement:
 - (1) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
 - (2) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

3. Application of Deductibles**a. Dollar Deductibles**

We will not pay for loss, damage or expense resulting from any "one accident" until the amount of loss, damage or expense exceeds the applicable Deductible shown in the Deductible Endorsement. We will then pay the amount of loss, damage or expense in excess of the applicable Deductible or Deductibles, up to the applicable Limit of Insurance.

b. Time Deductible

If a time deductible is shown in the Deductible Endorsement, we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident." If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

c. Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration."

The number indicated in the Deductible Endorsement will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

d. Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

B. CONDITIONS

The Building and Personal Property Coverage Form and the Common Policy Conditions are amended as follows:

1. Suspension

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." This can be done by mailing or delivering a written notice of suspension to:

- a. Your last known address; or
- b. The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment." If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

2. Jurisdictional Inspections

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

3. Environmental, Safety and Efficiency Improvements

If "covered equipment" requires replacement due to an "accident," we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

However, we will not pay more than 125% of what the cost would have been to replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

The most we will pay for loss, damage or expense under this endorsement arising from any "one accident" is the applicable Limit of Insurance in the Declarations unless otherwise shown in a Schedule. Coverage provided under this endorsement does not provide an additional amount of insurance.

Property Extension Endorsement

COMMERCIAL PROPERTY
CP 76 30 01 16

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

1. All references in the above forms to 100 feet are changed to 1,000 feet.
2. If we or any of our affiliates issue other insurance to you and more than one limit of insurance applies to loss or damage sustained by you, the following limitations will apply:
 - a. Your recovery under all such insurance will not exceed the actual amount of loss or damage sustained; and
 - b. The insurance provided by this endorsement applies in excess of and, except as to premium, limits and notice, follows the terms, conditions, limitations and exclusions of other applicable insurance issued to you by us or any of our affiliates.
3. With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by the endorsement.

SECTION I

The **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is amended as follows:

COVERED PROPERTY - BUILDING

Under **Section A. Coverage**, Paragraph 1.a. **Building**, the following is added to subparagraph (4):

- (e) Lobby and hallway furnishings owned by you.

PROPERTY NOT COVERED

Under **Section A. Coverage**, Paragraph 2. **Property Not Covered**, subparagraphs f., g., i., and m. are deleted.

ADDITIONAL COVERAGES

Debris Removal

Under **Section A.4. Additional Coverages**, Paragraph a. **Debris Removal**, the following are amended:

Subparagraph (1) is deleted and replaced by the following:

- (1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

The \$10,000 limit shown in paragraph (4) is deleted and replaced by the limit shown in the ElitePac Schedule.

Preservation Of Property

Under **Section A.4. Additional Coverages**, Paragraph b. **Preservation Of Property**, subparagraph b.(2) is deleted and replaced by the following:

- (2) Only if the loss or damage occurs within the number of days shown in the ElitePac Schedule after the property is first moved.

Fire Department Service Charge

Under **Section A.4. Additional Coverages**, Paragraph c. **Fire Department Service Charge**, the \$1,000 limit is deleted and replaced by the limit shown in the ElitePac Schedule.

Pollutant Clean-Up And Removal

Under **Section A.4. Additional Coverages**, Paragraph d. **Pollutant Clean-up and Removal**, the \$10,000 limit is deleted and replaced by the limit shown in the ElitePac Schedule.

COVERAGE EXTENSIONS

Section A.5. Coverage Extensions is deleted and replaced by the following:

Unless otherwise stated in this endorsement or in a specific Coverage Extension, Coverage Extensions:

1. Are subject to the Deductible shown in the Commercial Property Coverage Declarations or \$500 per occurrence, whichever is less;
2. Are not subject to the **Additional Condition Coinsurance**;
3. Are in addition to the Limits of Insurance shown in the Declarations; and
4. Apply to each described premises on a per occurrence basis.

Accounts Receivable

You may extend the insurance provided by this Coverage Form as set forth in the Accounts Receivable Coverage Endorsement **CP 76 64** which is made part of this policy.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

No deductible applies to this Coverage Extension.

Additional Costs

You may extend the insurance provided by this Coverage Form to pay for Additional Costs as a result of direct physical loss or damage to Buildings at described premises caused by or resulting from a Covered Cause of Loss.

1. Additional Costs mean only the following necessary additional expenses you have paid over and above the estimated completed cost of any building or structure covered by this Coverage Extension:
 - a. Additional real estate broker fees or commission;
 - b. Additional architect, engineering and consulting fees other than fees and costs billed by and payable to independent or public adjusters or any of their affiliated entities;
 - c. Additional legal or accounting fees; and
 - d. Additional advertising and promotional expenses.
2. This Coverage Extension does not apply to:
 - a. Claim Expenses; or
 - b. Ordinance Or Law.
3. We will pay any covered loss of Additional Costs only for that period of time that:
 - a. Begins on the date of the Covered Cause of Loss; and
 - b. Ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

Arson, Theft And Vandalism Rewards

(This Provision Does Not Apply In New York)

You may extend the insurance provided by this Coverage Form to apply to reimbursement for payment of rewards given to any person or persons other than you, your officers, your partners, your employees, public police, or fire officials who provide(s) information leading to a conviction in connection with:

1. A covered fire loss to the described premises caused by arson;

2. An actual or attempted theft of money or Covered Property; or
3. A covered vandalism loss to the described premises.

The most we will pay under this Coverage Extension for any one occurrence is the limit shown in the ElitePac Schedule. This is the most we will pay regardless of the number of persons who provided information.

No deductible applies to this Coverage Extension.

Back Up Of Sewer, Drain Or Sump - Direct Damage

You may extend the insurance provided by this Coverage Form to pay for direct physical loss or damage to Covered Property at described premises caused by or resulting from:

1. Water or waterborne material that backs up or overflows or is otherwise discharged from the described premises sewer, drain, sump, sump pump or related equipment; or
2. Water under the ground surface pressing on, or flowing or seeping through foundations, walls, floors or paved surfaces.

However, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

For purposes of this Coverage Extension, drain does not include a roof drain, gutter, downspout or similar fixtures or equipment.

This Coverage Extension does not apply to loss or damage caused by or resulting from your failure to:

1. Keep a sump pump or its related equipment in proper working condition; or
2. Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule or the Building and/or the Business Personal Property Limit of Insurance shown in the Declarations, whichever is less.

This Coverage Extension is not flood insurance. We will not pay for direct physical loss or damage from water or waterborne material that backs up or overflows from a sewer, drain, sump, sump pump or related equipment caused by any flood whether or not the flood contributes concurrently or in any sequence to the loss. This applies regardless of the proximity of the flood to Covered Property. Flood includes the accumulation of surface water, waves, tides, tidal waves, overflow of streams or other bodies of water, or their spray, all whether driven by wind or not, that enters the sewer or drain system.

Brands And Labels

If Your Business Personal Property that has a brand or label is damaged by a Covered Cause of Loss and we elect to take all or any part of the damaged property at an agreed or appraised value, you may extend the insurance that applies to Your Business Personal Property to:

1. Pay expenses you incur to:
 - a. Label or stamp the damaged property as salvage, if doing so will not physically damage the property; or
 - b. Remove the brand or label and then re-label the damaged property to comply with applicable law.
2. Cover any reduction in the salvage value of the damaged property as a result of the removal of the brand or label.

The most we will pay under this Coverage Extension is the applicable Limit of Insurance for Your Business Personal Property shown in the Declarations.

This Coverage Extension is not in addition to the limits shown in the Declarations and is included within Your Business Personal Property Limit of Insurance.

Building Owner - Tenant Move Back Expenses

You may extend the insurance provided by this Coverage Form to apply to expenses you incur as building owner to move tenants back into a described premises rendered temporarily untenable by direct physical loss or damage to that premises caused by a Covered Cause of Loss.

We will pay only for the following expenses that are documented, reasonable and necessary:

1. Packing, insuring and transporting Business Personal Property;
2. Re-establishing electric utility and communication services, less any refunds due tenants from discontinued services;
3. Assembly and setting up fixtures and equipment; and/or
4. Unpacking and re-shelving stock and supplies.

We will pay only for such expenses incurred within 60 days of the date that the portion of the building rented by your tenant has been repaired or rebuilt and is ready for occupancy.

If your tenants have valid and collectible insurance for move back expenses, we will pay only for the documented, reasonable and necessary amount in excess of the amount payable from such other insurance.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

Claim Expenses

You may extend the insurance provided by this Coverage Form to apply to all reasonable expenses that you incur at our request to assist us in the:

1. Investigation of a claim;
2. Determination of the amount of loss, such as taking inventory or making appraisals; and/or
3. Cost of preparing specific loss documents and other supporting exhibits.

We will not pay for expenses:

1. Incurred to perform your duties under Section **E. Loss Conditions**, Paragraph **2. Appraisal**;
2. Incurred to prove that loss or damage is covered;
3. Billed by and payable to independent or public adjusters, attorneys or any of their affiliated entities; and/or
4. To prepare claims not covered by this policy.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

Deferred Payments

You may extend the insurance provided by Your Business Personal Property to protect your interest in lost or damaged Covered Property sold by you under a conditional sale or trust agreement or any installment or deferred plan when such loss or damage results from direct physical loss to that Covered Property after delivery to buyers caused by or resulting from a Covered Cause of Loss.

When a loss occurs and the buyer continues to pay you, there will be no loss payment.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

Electronic Information Systems

You may extend the insurance provided by this Coverage Form as set forth in the Electronic Information Systems Coverage Endorsement **CP 76 67** which is made part of this policy.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

The per occurrence deductible shown in the Declarations applies to this Coverage Extension.

Extra Expense

You may extend the insurance provided by this Coverage Form to apply to the actual and necessary Extra Expense you sustain due to direct physical loss or damage to Covered Property at the premises described in the Declarations caused by or resulting from a Covered Cause of Loss.

Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

1. We will pay any Extra Expense to:
 - a. Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations including:
 - (1) Relocation expenses; and
 - (2) Costs to equip and operate the replacement or temporary locations.
 - b. Minimize the "suspension" of business if you cannot continue "operations".
2. We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

This Coverage Extension does not apply if Business Income - Actual Loss Sustained coverage is made part of this policy.

The following definitions apply to the coverage provided by this Coverage Extension:

1. "Operations" means:
 - a. Your business activities occurring at the described premises; and
 - b. The tenantability of the described premises.
2. "Period of Restoration" means the period of time that:
 - a. Begins immediately after the time of direct physical loss or damage to Covered Property caused by or resulting from a Covered Cause of Loss at the described premises; and
 - b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

"Period of Restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- a. Regulates the construction, use or repair, or requires the tearing down of any property; or
- b. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

3. "Suspension" means:
 - a. The slowdown or cessation of your business activities; or
 - b. That a part or all of the described premises is rendered untenable.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

No deductible applies to this Coverage Extension.

Fine Arts

You may extend the insurance provided by this Coverage Form as set forth in the Fine Arts Coverage Endorsement **CP 76 68** which is made part of this policy.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

Fire Extinguishing Equipment

You may extend the insurance provided by this Coverage Form to:

1. Apply to direct physical loss or damage to Covered Property;
2. Pay for the cost to recharge or refill any "fire extinguishing equipment"; and
3. Pay the cost you incur to clean up the released extinguishing agent;

when "fire extinguishing equipment" is discharged:

1. Due to a Covered Cause of Loss;
2. As a result of the intended operation of such equipment to prevent or control a Covered Cause of Loss;
3. Accidentally; or
4. Resulting from a malfunction of the "fire extinguishing equipment."

We will not pay for loss or damage, recharge and clean-up costs if:

1. You fail to maintain the "fire extinguishing equipment" in proper operating condition; or
2. The discharge occurs while servicing, refilling or testing the "fire extinguishing equipment".

If it is less expensive to do so, we will pay your costs to replace your "fire extinguishing equipment" rather than recharge it.

The following definition applies to this Coverage Extension:

"Fire extinguishing equipment" means portable fire extinguishers and automatic extinguishing systems protecting cooking equipment that are intended to protect described premises. "Fire extinguishing equipment" does not include automatic sprinkler systems.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

No deductible applies to this Coverage Extension.

Installation Property

You may extend the insurance provided by Your Business Personal Property as set forth in the Installation Property Coverage Endorsement **CP 76 69** which is made part of this policy.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

Lock Replacement Coverage

You may extend the insurance provided by this Coverage Form to apply to necessary replacement of locks because keys to your described premises have been lost, stolen or damaged by a Covered Cause of Loss.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

No deductible applies to this Coverage Extension.

Members and Guests Property

You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to property belonging to your members or guests while it is in your care, custody or control caused by or resulting from a Covered Cause of Loss.

The most we will pay under this Coverage Extension are the:

1. Any one individual; and
2. Per occurrence

limits shown in the ElitePac Schedule.

Our payment under this Coverage Extension will only be for the account of the owner of the property.

No deductible applies to this Coverage Extension.

Mobile Equipment

You may extend the insurance provided by this Coverage Form as set forth in the Mobile Equipment Coverage Endorsement **CP 76 70** which is made a part of this policy.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

Newly Acquired Or Constructed Property

1. Building

If this policy covers Building, you may extend that insurance to apply to direct physical loss or damage to the following when caused by or resulting from a Covered Cause of Loss:

- a. Your new buildings while being built on the described premises; and
- b. Buildings you acquire at locations, other than the described premises, intended for:
 - (1) Similar use as the building described in the Declarations; or
 - (2) Use as a warehouse.

The most we will pay under this Coverage Extension is the Building Per Location limit shown in the ElitePac Schedule.

2. Your Business Personal Property

If this policy covers Your Business Personal Property, you may extend that insurance to apply to direct physical loss or damage to the following when caused by or resulting from a Covered Cause of Loss:

- a. Business Personal Property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
- b. Business Personal Property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

This Extension does not apply to:

- a. Personal property of others that is temporarily in your possession in the course of installing or performing work on such property;
- b. Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities; or
- c. "Stock".

The most we will pay under this Coverage Extension is the Your Business Personal Property Per Location limit shown in the ElitePac Schedule.

3. Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- a. This policy expires;
- b. 180 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- c. You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as Covered Property.

The per occurrence deductible shown in the Declarations applies to this Coverage Extension.

Non-Owned Detached Trailers

You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage to trailers that you do not own caused by or resulting from a Covered Cause of Loss provided that:

1. The trailer is used in your business;
2. The trailer is in your care, custody or control at the described premises or at your newly acquired location; and
3. You have a contractual responsibility to pay for loss or damage to the trailer.

We will not pay for any loss or damage that occurs:

1. While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion; or
2. During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such trailer.

Ordinance Or Law

The **Increased Cost of Construction Additional Coverage** is deleted and replaced by the following Ordinance Or Law Coverage Extension:

You may extend the insurance that applies to Building as follows:

1. If there is direct physical loss or damage to described premises caused by or resulting from a Covered Cause of Loss we will pay the following to the extent it results from enforcement of an ordinance or law:
 - a. **Coverage A.** The loss in value of the undamaged portion of the building that requires demolition of undamaged parts of the same building.
 - b. **Coverage B.** The cost to demolish and clear the site of undamaged parts of the same building.
 - c. **Coverage C.** The increased cost to:
 - (1) Repair or reconstruct damaged portions of the same building; and/or
 - (2) Reconstruct or remodel undamaged portions of the same building, whether or not demolition is required.

However:

- (1) This coverage applies only if the restored or remodeled building is intended for similar occupancy as the current building, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

- d. **Coverage D.** The increased cost to repair, rebuild or reconstruct tenant's improvements and betterments.
2. The ordinance or law must:
 - a. Regulate the demolition, construction or repair of buildings or establishes zoning or land use requirements at the described premises; and
 - b. Be in force at the time of loss.
3. We will not pay under this Coverage Extension for:
 - a. Loss due to any ordinance or law with which:
 - (1) You were required to comply before the loss, even if the building was undamaged; and
 - (2) You failed to comply.
 - b. The enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
 - c. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
4. We will not pay for increased construction costs under this endorsement:
 - a. Until the property is actually repaired or replaced, at that same premises or elsewhere; and
 - b. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed 2 years. We may extend this period in writing during the 2 years.
5. This Coverage Extension is not subject to the terms of the Ordinance or Law Exclusion found in the Causes of Loss - Special Form, to the extent such Exclusion conflicts with this Coverage Extension.
6. The most we will pay under this Coverage Extension for:
 - a. **Coverage A.** The loss to undamaged portion of the building:
 - (1) If the property is repaired or replaced on the same or another premises is the lesser of:

- (a) The amount you actually spend to repair, rebuild or reconstruct the undamaged portion of the building;
 - (b) The amount it would cost to restore the undamaged portion to the same height, floor area, style and comparable quality of the original undamaged portion of the building; or
 - (c) The limit of insurance applicable to the covered building property shown in the Declarations.
- (2) If the property is not repaired or replaced or if Replacement Cost does not apply is the lesser of:
- (a) The actual cash value of the undamaged portion of the building at the time of loss; or
 - (b) The limit of insurance applicable to the covered Building property shown in the Declarations.
- (3) Coverage A. is not in addition to the Building Limits of Insurance shown in the Declarations and is included within the covered Building Limit of Insurance.
- b. **Coverage B.** The cost to demolish and clear the site of undamaged part of the same building is the limit shown in the ElitePac Schedule.
- c. **Coverage C.** The increased cost to repair, rebuild, or construct the same building is the limit shown in the ElitePac Schedule.
- d. **Coverage D.** The increased cost to repair, rebuild or reconstruct tenant's improvements and betterments is the limit shown in the ElitePac Schedule.

The per occurrence deductible shown in the Declarations applies to this Coverage Extension.

Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage, including debris removal expense, to the following outdoor property owned or leased by you caused by or resulting from a Covered Cause of Loss:

- 1. Outdoor fences;
- 2. Outdoor signs, whether or not attached to buildings;
- 3. Outdoor storage sheds and garages used to store your business supplies or equipment;
- 4. Outdoor lights, whether or not attached to buildings;
- 5. Paved surfaces, including but not limited to bridges, roads, walks, foot and cart bridges, patios, parking lots, running tracks, playgrounds and athletic fields both artificial and natural turf;

- 6. Playground equipment;
- 7. Radio and television receiving equipment including loss or damage to your radio and television antennas, satellite dishes and similar audio/visual receiving equipment, their lead-in wiring, masts or towers;
- 8. Outdoor tents, canopies, and awnings of fabric or slate construction not attached to a building and located on or off your described premises;
- 9. Ornamental Gardens. However, loss or damage caused by weight of ice, snow or sleet is not covered;
- 10. Hardscape landscaping consisting of masonry or stone bridges, walks, patios, retaining walls or similar surfaces or wooden landscaping bridges, permanent objects whose primary function is decoration, benches, statues, fountains, monuments and gazebos or similar structures; and
- 11. Outdoor artwork and decorative objects.

For governmental entities:

- 1. Outdoor Property also includes water hydrants, street lights, street signs and traffic lights and related equipment;
- 2. Outdoor Property is covered within the jurisdictional boundaries of the governmental entity on a per occurrence basis instead of an each described premises basis.

However, this Coverage Extension does not apply to loss or damage caused by freezing or thawing.

The most we will pay, including debris removal expense, under this Coverage Extension is the limit shown in the ElitePac Schedule.

Outdoor Trees, Shrubs And Plants

You may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage to your outdoor trees, shrubs and plants (other than "stock" of trees, shrubs or plants) including debris removal expense, caused by or resulting from a Covered Cause of Loss.

This Coverage Extension does not apply to loss or damage to property covered under the Outdoor Property Coverage Extension.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule but not more than \$2,500 for any one tree, shrub or plant.

For schools and governmental entities, the most we will pay in any one policy year is \$100,000.

Personal Effects

You may extend the insurance that applies to Your Business Personal Property as set forth in the Personal Effects Coverage Endorsement **CP 76 71** which is made part of this policy.

The most we will pay under this Coverage Extension are the:

1. Per person; and
2. Per occurrence

limits shown in the ElitePac Schedule.

This Coverage Extension does not apply to property covered under the Members and Guest Property Coverage Extension.

No deductible applies to this Coverage Extension.

Personal Property At Unnamed Premises - Within the Coverage Territory

You may extend the insurance provided by Your Business Personal Property to apply to direct physical loss or damage to Business Personal Property and Personal Property of Others in your care, custody or control while at an "unnamed premises" caused by or resulting from a Covered Cause of Loss.

For this Coverage Extension, "unnamed premises" means locations:

1. Owned, leased or operated by you; or
2. Not owned, leased or operated by you, where Your Business Personal Property or Personal Property of Others in your care, custody or control is located, including fairs, trade shows or exhibitions;

that are within the Coverage Territory and not described in the Declarations.

This Coverage Extension does not apply to:

1. Installation property;
2. Personal effects;
3. "Portable computers";
4. Property in the care, custody or control of your salesperson;
5. Property in transit;
6. Tools and Equipment;
7. Property covered under the Newly Acquired Or Constructed Property Coverage Extension; or
8. Property outside of the Coverage Territory.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

Personal Property At Unnamed Premises - Outside the Coverage Territory

You may extend the insurance provided by Your Business Personal Property to apply to direct physical loss or damage to Business Personal Property and Personal Property of Others in your care, custody and control while at an "unnamed premises" caused by or resulting from a Covered Cause of Loss.

For this Coverage Extension, "unnamed premises" means locations:

1. Owned, leased or operated by you; or
2. Not owned, leased or operated by you, where Your Business Personal Property or Personal Property of Others in your care, custody or control is located including fairs, trade shows or exhibitions;

that are at worldwide locations outside the Coverage Territory except within any country upon which the United States government has imposed sanctions, embargoes or any similar prohibition.

This Coverage Extension does not apply to:

1. Installation property;
2. Personal effects;
3. "Portable computers";
4. Property in the care, custody or control of your salesperson;
5. Property in transit;
6. Tools and Equipment; and
7. Property within the Coverage Territory.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

Personal Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage to Personal Property of Others in your care, custody or control caused by or resulting from a Covered Cause of Loss.

This Coverage Extension does not apply to:

1. Installation property;
2. Members' and guests' property;
3. Personal effects;
4. Property in the care, custody or control of your salesperson;
5. Property In transit;
6. Tools and Equipment;
7. Business Personal Property of a golf club professional(s) working at your club; and
8. Property of others for which you are legally liable as:
 - a. A carrier for hire; or
 - b. An arranger of transportation, including car loaders, consolidators, brokers, freight forwarders or shipping associates.

The most we will pay under this Coverage Extension is the applicable Limit of Insurance for Your Business Personal Property shown in the Declarations.

This Coverage Extension is not in addition to the limits shown in the Declarations and is included within Your Business Personal Property Limit of Insurance.

Our payment for loss of or damage to Personal Property of Others will only be for the account of the owner of the property.

The per occurrence deductible shown in the Declarations applies to this Coverage Extension.

Property In Transit

You may extend the insurance provided by Your Business Personal Property as set forth in the Property In Transit Coverage Endorsement **CP 76 72** which is made part of this policy.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

Salesperson's Samples

You may extend the insurance provided by Your Business Personal Property as set forth in the Salesperson's Samples Coverage Endorsement **CP 76 73** which is made part of this policy.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

Spoilage

You may extend the insurance provided by Your Business Personal Property to apply to direct physical loss or damage to Covered Property caused by or resulting from the following:

1. Breakdown or Contamination, meaning:
 - a. Change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and
 - b. Contamination by the refrigerant.
2. Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

For purposes of the Coverage Extension, Covered Property means "perishable stock" at the described premises owned by you or by others that is in your care, custody and control.

Only the following Exclusions contained in Paragraph **B.1.** of the **Causes of Loss - Special Form** apply to this Coverage Extension:

1. Earth Movement;
2. Governmental Action;
3. Nuclear Hazard;
4. War and Military Action; and
5. Water.

The following additional exclusions apply to this Coverage Extension:

1. The disconnection of any refrigerating, cooling or humidity control system from the source of power.
2. The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.
3. The inability of an electrical utility company or other power source to provide sufficient power due to:
 - a. Lack of fuel; or
 - b. Governmental order.
4. The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.
5. Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

"Perishable stock" means personal property:

1. Maintained under controlled conditions for its preservation; and
2. Susceptible to loss or damage if the controlled conditions change.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

Tenant Building and Business Personal Property Coverage Required By Lease

You may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage to Building and Business Personal Property you do not own that you have a contractual responsibility to insure caused by or resulting from a Covered Cause of Loss. This includes building fixtures, machinery and equipment.

The most we will pay under the Coverage Extension is the limit shown in the ElitePac Schedule.

Tenant's Building Glass Liability

If you are a tenant and no Limit of Insurance is shown in the Declarations for Building coverage, you may extend the insurance provided for Your Business Personal Property to cover direct physical loss or damage to building glass that is part of the exterior or interior walls, floors or ceilings of the building or structure occupied by you at the described premises caused by or resulting from a Covered Cause of Loss.

We will also pay for necessary:

1. Expenses incurred to put up temporary plates or board up openings;
2. Repair or replacement of encasing frames;

3. Expenses incurred to remove or replace obstructions; and
4. Repair or replace alarm tapes.

This Coverage Extension only applies to glass owned by you, or by others which is in your care, custody or control, and for which you are legally, or have contractually agreed to be, responsible.

Our payment for glass owned by others will only be for the account of the owner of the glass.

This Coverage Extension is not in addition to the limits shown in the Declarations and is included within Your Business Personal Property Limit of Insurance.

The per occurrence deductible shown in the Declarations applies to this Coverage Extension.

Tenant Lease Assessment

You may extend your Business Personal Property to apply to your share of any assessment charged to all tenants by the building owner as agreed to in your written lease agreement as a result of direct physical loss or damage to building property you occupy caused by or resulting from a Covered Cause of Loss.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

Tenant Leasehold Improvements

You may extend the insurance provided by Your Business Personal Property or, if written under a separate limit of insurance, Your Tenant's Improvements and Betterments to apply to the unamortized value of tenant's improvements and betterments that remain, and that you were forced to abandon, if your lease is cancelled in accordance with a valid lease provision as the direct result of a Covered Cause of Loss to property at the location in which you are a tenant.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

This Coverage Extension is not in addition to the limits shown in the Declarations and is included within Your Business Personal Property Limit of Insurance or if written separately, the Tenant's Improvements and Betterments Limit of Insurance shown in the Declarations.

Theft Damage To Building

You may extend the insurance that applies to Your Business Personal Property to apply to damage to that part of any building containing Covered Property caused directly by theft or attempted theft.

We will not pay for damage to glass or to lettering or artwork on glass.

This Coverage Extension applies only to described premises where you are a tenant and are responsible for such damage by the provisions of a written lease agreement.

This Coverage Extension is not in addition to the limits shown in the Declarations and is included within Your Business Personal Property Limit of Insurance.

The per occurrence deductible shown in the Declarations applies to this Coverage Extension.

Tools and Equipment

You may extend the insurance provided by Your Business Personal Property as set forth in the Tools and Equipment Coverage Endorsement **CP 76 74** which is made part of this policy.

The most we will pay for loss or damage under this Coverage Extension is the limit shown in the ElitePac Schedule.

Utility Services - Direct Damage

You may extend the insurance provided by this Coverage Form to apply to loss or damage to Covered Property caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage to the following property located outside of a covered building described in the Declarations and be caused by or result from a Covered Cause of Loss:

1. Water Supply Services, meaning pumping stations and water mains supplying water to the described premises.
2. Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
 - a. Communication transmission lines, including optic fiber transmission lines;
 - b. Coaxial cables; or
 - c. Microwave radio relays, excepting satellites.

Overhead communication transmission lines are excluded.
3. Power Supply Services, meaning utility generating plants, switching stations, substations, transformers and transmission lines supplying electricity, steam or gas to the described premises.

Overhead power transmission lines are excluded.

As used in this endorsement, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

The Utility Services Exclusion does not apply to the extent that coverage is provided under this Coverage Extension.

The most we will pay under this Coverage Extension is the limit shown in the ElitePac Schedule.

The per occurrence deductible shown in the Declarations applies to this Coverage Extension.

Valuable Papers And Records

You may extend the insurance provided by Your Business Personal Property as set forth in the Valuable Papers Coverage Endorsement **CP 76 75** which is made part of this policy.

The most we will pay for loss or damage under this Coverage Extension is the limit shown in the ElitePac Schedule.

LIMITS OF INSURANCE

The following is added to Section **C. LIMITS OF INSURANCE**:

Business Personal Property Seasonal Increase

The Limit of Insurance for Business Personal Property will increase by the percentage shown in the ElitePac Schedule to provide for seasonal variations in your business. This percentage increase will apply only if the limit shown for Your Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

1. The 12 months immediately preceding the date the loss or damage occurs; or
2. The period of time you have been in business as of the date the loss or damage occurs.

For operations that include the seasonal sale of plants, trees and shrubs, the Limit of Insurance for Business Personal Property will increase by 50%.

The per occurrence deductible shown in the Declarations applies to this Coverage Extension.

DEDUCTIBLE

The following is added to Section **D. DEDUCTIBLE**:

If multiple deductibles apply to loss covered under this Coverage Form, the most we will deduct from the loss is the single largest deductible involved. Furthermore, each deductible will only be applied against its applicable coverage and, any deductible amount(s) actually taken will be applied toward any remaining larger deductible(s).

If a loss covered under this Coverage Form also involves a loss covered under an Inland Marine Coverage Form or the Physical Damage Section of a Business Auto Coverage Form issued to you by us or any of our affiliates, the most we will deduct from the loss is the single largest deductible involved. Furthermore, each deductible will only be applied against its applicable coverage and, any deductible amount(s) actually taken will be applied toward any remaining larger deductible(s).

LOSS CONDITIONS

The following are added to **Valuation** under **Loss Conditions**:

1. Finished "stock" you fabricated or manufactured including "stock" you have sold but not delivered, at the selling price less discounts and expenses you otherwise would have had.

2. We will pay the reduction in value of the remaining parts of "stock" when the reduction is caused by direct physical loss of or damage to other parts of "stock" at the described premises caused by or resulting from a Covered Cause of Loss.
3. Personal Property of Others at the amount for which you are liable, not to exceed the replacement cost.
4. Members and guests property at the amount for which you are liable, not to exceed the replacement cost.

ADDITIONAL CONDITIONS

The following is added to **Additional Condition F.1. Coinsurance**:

Do not include the values of the following Covered Property types in determining the most we will pay:

1. The cost of excavations, grading, backfilling or filling;
2. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - a. The lowest basement floor; or
 - b. The surface of the ground, if there is no basement;
3. Personal property while airborne or waterborne; and
4. Underground pipes, flues or drains.

SECTION II

The **CAUSES OF LOSS - SPECIAL FORM** is amended as follows:

EXCLUSIONS

Under Section **B. Exclusions**:

Exclusions **2.d.(7)** and **2.i.** are deleted and do not apply.

LIMITATIONS

Under Section **C. Limitations**:

1. Paragraphs **1.d., 1.f., 2., and 3.c.** are deleted and do not apply.
2. Paragraph **3.a.** is deleted and replaced by the following:
 - a. For furs, fur garments and garments trimmed with fur, the most we will pay is the limit shown in the ElitePac Schedule.
3. The following is added to Paragraph **3.b.**:
For gold, silver, platinum, and other precious alloys or metals used as a raw material in your manufacturing process the most we will pay is the limit shown in the ElitePac Schedule.

ADDITIONAL COVERAGE EXTENSIONS

Property in Transit Additional Coverage Extension does not apply.

SECTION III

When a **BUSINESS INCOME COVERAGE FORM** is made a part of this policy, that form is amended as follows:

ADDITIONAL COVERAGES

The following is added to Section **5. Additional Coverages**:

Unless otherwise stated in this endorsement or in a specific Additional Coverage, Additional Coverages:

1. Are in addition to the Limits of Insurance shown in the Declarations;
2. Apply to each described premises on a per occurrence basis; and
3. Do not have a waiting period under the definition of "period of restoration".

The following **Additional Coverages** are added:

Auto Physical Damage Business Income

We will pay for the loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration." The "suspension" must be caused by direct physical loss or damage to a "covered motor vehicle". The loss or damage must be caused by or resulting from a Covered Cause of Loss.

"Covered motor vehicle" means a vehicle:

1. Owned by you; or
2. Leased to you for a period greater than 6 months; and
3. Insured by us or any of our affiliates under an Automobile or Garage Coverage Part:
 - a. Covered for direct physical loss or damage; and
 - b. Maintains rental reimbursement coverage; and
4. Used to transport your business personal property.

For this Additional Coverage only:

1. "Operations" also means your business activities involving the use of a "covered motor vehicle".
2. "Period of restoration" applies to the "covered motor vehicle" rather than the described premises.

Payment for Extra Expense does not apply under this Additional Coverage.

This Additional Coverage does not apply to "private passenger type vehicles".

"Private passenger type vehicle" means a four-wheel auto of the private passenger or station wagon type.

The most we will pay under this Additional Coverage is the limit shown in the ElitePac Schedule.

Back Up Of Sewer, Drain Or Sump - Business Income

We will pay for the loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage to Covered Property at described premises. The loss or damage must be caused by or result from:

1. Water or waterborne material that backs up or overflows or is otherwise discharged from the described premises sewer, drain, sump, sump pump or its related equipment; or
2. Water under the ground surface pressing on, or flowing or seeping through foundations, walls, floors or paved surfaces.

However, we will not pay for the loss of Business Income you sustain in the event of mechanical breakdown to a sump, sump pump or its related equipment.

For purposes of this Additional Coverage, drain does not include a roof drain, gutter, downspout or similar fixtures or equipment.

This Additional Coverage does not apply to loss of Business Income caused by or resulting from an insured's failure to:

1. Keep a sump pump or its related equipment in proper working condition; or
2. Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

The most we will pay for loss of Business Income under this Additional Coverage is the limit shown in the ElitePac Schedule or the Business Income Limit of Insurance shown in the Declarations, whichever is less.

This coverage extension is not flood insurance. We will not pay for direct physical loss or damage from water or waterborne material that backs up or overflows from a sewer, drain, sump, sump pump or related equipment caused by any flood whether or not the flood contributes concurrently or in any sequence to the loss. This applies regardless of the proximity of the flood to Covered Property. Flood includes the accumulation of surface water, waves, tides, tidal waves, overflow of streams or other bodies of water, or their spray, all whether driven by wind or not, that enters the sewer or drain system.

Building Owner - Lessor's Leasehold Interest

We will pay for loss of "leasehold interest" in the event that your tenant(s) cancel their lease(s) in a described premises, due to untenability as a result of direct physical loss or damage to the described premises caused by or resulting from a Covered Cause of Loss.

"Leasehold interest" means the difference between the:

1. Rent you were collecting at the described premises prior to the loss; and
2. Rental Value of the described premises after loss or damage has been repaired or rebuilt. Rental Value for this Additional Coverage means:
 - a. Total anticipated rental income from tenant occupancy of the described premises as furnished and equipped by you; and
 - b. Amounts of all charges which are the legal obligations of the tenants which would otherwise be your obligations.

Loss of "leasehold interest" does not include:

1. Prepaid rent;
2. Security and other deposits made by tenants; or
3. Insurance, taxes or other payments you made on behalf of the tenants.

We will pay only for loss of "leasehold interest" that you sustain after tenantability is restored and until the earlier of:

1. The date you lease the premises to another tenant;
2. 12 months immediately following the "period of restoration"; or
3. The normal expiration date of the cancelled lease(s).

The most we will pay under this Additional Coverage is the limit shown in the ElitePac Schedule.

Contractual Penalties

We will pay for contractual penalties you are legally liable to pay under a written contract between you and your customers. These penalties must result from your failure to deliver your product or service within the time required by contract and is caused by direct physical loss or damage to Covered Property. The loss or damage must be caused by or result from a Covered Cause of Loss.

The most we will pay under this Additional Coverage is the limit shown in the ElitePac Schedule.

Denial of Service

We will pay for the loss of Business Income you sustain caused by or resulting from a "denial of service attack".

"Denial of service attack" means the malicious direction of a high volume of worthless inquiries to web site or e-mail destinations, effectively denying or limiting legitimate access.

This Additional Coverage applies to "denial of service attacks":

1. That originate anywhere in the world; and
2. Whether or not there has been any physical damage to data or software.

Denial of Service does not include loss of Business Income from the theft of telephone services or the theft of any property.

We will not pay for any loss of Business Income that you sustain during the 12 hours that immediately follow the time when you first discovered the "denial of service attack".

The most we will pay under this Additional Coverage is the limit shown in the ElitePac Schedule.

Dependent Properties

We will pay for the loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration." The "suspension" must be caused by direct physical loss or damage to "dependent property" caused by or resulting from a Covered Cause of Loss.

For this Additional Coverage only, "period of restoration" means the period of time that:

1. Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the "dependent property"; and
2. Ends on the date when the property at the premises of the "dependent property" should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

1. Regulates the construction, use or repair, or requires the tearing down, of any property; or
2. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

The most we will pay under this Additional Coverage is the limit shown in the ElitePac Schedule.

This Additional Coverage does not apply to "dependent properties" for which you have more specific insurance either under this policy or another.

Extended Business Income

The 30 consecutive days restriction under Extended Business Income is changed to the number of consecutive days shown in the ElitePac Schedule.

Food Contamination Shutdown

We will pay for the:

1. Loss of Business Income you sustain; and
2. Extra Expense you incur

from the necessary "suspension" of your "operations" because the Board of Health, or another government authority, has issued an order to you in connection with the discovery of or suspicion of "food contamination."

Extra Expense coverage is limited to the following:

1. Your costs to clean and sanitize your equipment as required by the government authority;
2. Your costs to replace consumable goods declared or suspected by the government authority to be contaminated;
3. Reimbursement to infected patrons for doctor's care, hospitalization and necessary blood work;
4. Necessary medical tests and vaccines for affected employees as required by government authority. However, we will not pay for any expense that is otherwise covered under a Workers' Compensation policy; and
5. Your additional advertising expenses you incur following the notification by the government authority to resume "operations" and regain customers.

We will not pay for fines or penalties of any kind. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

We will not pay for any expense that is covered elsewhere under this policy or any other policy issued to you by us or any of our affiliates.

In the event of a loss you must:

1. Give us prompt notice of the "suspension" declaration;
2. Notify any government authority that may have jurisdiction over the incident; and
3. As soon as possible, give us a description of how, when and where the "food contamination" was first discovered.

For this Additional Coverage, "food contamination" means the occurrence of food poisoning, or suspected food poisoning, of one or more of your patrons that is caused by or results from tainted food you purchased, improperly stored, handled or prepared or communicable disease transmitted by one or more of your employees.

The most we will pay under this Additional Coverage is the limit shown in the ElitePac Schedule.

Increased Realty Tax Assessment Coverage

We will pay for the additional realty tax assessment you incur after the "period of restoration" due to repair, rebuilding or reconstruction of a damaged building or structure at a described premises that exceeds the realty tax assessment you would have incurred if there had been no direct physical loss or damage caused by or resulting from a Covered Cause of Loss.

However, we will not pay for any of the following:

1. Realty tax assessments made more than:
 - a. One year after the end of the "period of restoration"; or
 - b. Two years after the date of the damage to the covered building or structure from a covered loss;
 whichever is sooner.
2. Realty tax assessments made due to physical loss or physical damage that does not cause a suspension of payments of base (monthly) rent by one or more of your tenants.
3. Realty tax assessments paid on your behalf.
4. That part of the realty tax assessment increase due to increases in the mill rate, the assessment level or similar ratios by which the relation of property value to realty tax is expressed, since the latest assessment prior to the loss or damage. The mill rate is the amount of realty tax paid per dollar of assessed property value. The assessment level is the ratio of assessed values to fair market value.
5. A realty tax assessment increase that is due to your decision to rebuild the building:
 - a. With a different building configuration;
 - b. With a larger building area;
 - c. With better building material or quality;
 - d. With a different purpose; or
 - e. At a different location.

The most we will pay in any one occurrence is the lesser of:

1. All related increases in realty tax assessments during the 12 months immediately following the assessment; or
2. The limit shown in the ElitePac Schedule.

Ingress Or Egress

We will pay for:

1. The loss of Business Income you sustain due to the necessary "suspension" of your "operations"; and
2. Extra Expense you incur

when ingress to or egress from the described premises is prevented, other than as provided in the Civil Authority Additional Coverage. The prevention of ingress to or egress from the described premises must be caused by direct physical loss or damage to property that is away from, but within 5 miles of the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss.

This Additional Coverage will begin after a waiting period of 24 hours from the date when the ingress or egress is first prevented and apply for up to 30 consecutive days.

The most we will pay under this Additional Coverage is the limit shown in the ElitePac Schedule.

Pollutant Clean-Up And Removal - Business Income

We will pay for the loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration." The "suspension" must be caused by the discharge, dispersal, seepage, migration, release or escape of "pollutants" to land or water at the described premises. Such discharge, dispersal, seepage, migration, release or escape must be caused by or result from a Covered Cause of Loss that occurs during the policy period.

The most we will pay under this Additional Coverage is the limit shown in the ElitePac Schedule.

Project Research And Development Documentation And Prototypes Business Income

We will pay for the loss of Business Income you sustain due to direct physical loss or damage to "project research and development documentation" and "prototypes", caused by or resulting from a Covered Cause of Loss.

The following definitions apply to this Additional Coverage:

1. "Project Research and Development Documentation" means written, printed or inscribed documents, plans and records directly associated with your research and development operations.
2. "Prototypes" means the first or original model of a new design.

This Additional Coverage is not in addition to the limits shown in the Declarations and is included within the Business Income Limit of Insurance.

Unnamed Premises - Business Income

We will pay for:

1. The loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration"; and
2. The reasonable and necessary Extra Expense you incur during the "period of restoration";

as a result of direct physical loss or damage to property at "unnamed premises" caused by or resulting from a Covered Cause of Loss.

For this Additional Coverage, "unnamed premises" means locations:

1. Owned, leased or operated by you; or
2. Not owned, leased or operated by you, where Your Business Personal Property or Personal Property of Others in your care, custody or control is located;

that are within the Coverage Territory and not described in the Declarations.

This Additional Coverage does not apply to loss of Business Income caused by or resulting from loss or damage to:

1. A "dependent property";
2. Any location to which the Newly Acquired Locations Coverage Extension applies; or
3. Property in the due course of transit.

The most we will pay under this Additional Coverage is the limit shown in the ElitePac Schedule.

Utility Services - Time Element

We will pay for the loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration." The "suspension" must be caused by the interruption of service to the described premises due to direct physical loss or damage to the following property located outside of a covered building described in the Declarations. The loss or damage must be caused by a Covered Cause of Loss:

1. Water Supply Services, meaning pumping stations and water mains supplying water to the described premises.
2. Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
 - a. Communication transmission lines, including optic fiber transmission lines;
 - b. Coaxial cables; or
 - c. Microwave radio relays, excepting satellites.

Overhead communication transmission lines are excluded.

3. Power Supply Services, meaning utility generating plants, switching stations, substations, transformers and transmission lines supplying electricity, steam or gas to the described premises.

Overhead power transmission lines are excluded.

As used in this endorsement, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

The Utility Services Exclusion does not apply to the extent that coverage is provided under this Additional Coverage.

The **Additional Condition, Coinsurance**, does not apply to this Additional Coverage.

The most we will pay under this Additional Coverage is the limit shown in the ElitePac Schedule, but we will not pay for the loss of Business Income you sustain during the first 24 hours immediately following the direct physical loss or damage.

COVERAGE EXTENSION**Newly Acquired Locations - Business Income**

Under Section **A.6., Coverage Extension, Newly Acquired Locations:**

1. Paragraph **b.** is deleted and replaced by the following:
 - b.** The most we will pay under this Coverage Extension for the sum of Business Income loss and Extra Expense incurred is the limit shown in the ElitePac Schedule.
2. Paragraph **c.(2)** is deleted and replaced by the following:
 - (2)** 180 days expire after you acquire or begin to construct the property; or

DEFINITIONS

The following definition is added to Section **F. Definitions:**

"Dependent Property" means property operated by others you depend on to:

- a.** Deliver materials or services (other than water, communications, or power supply) to you, or to others for your account (Contributing Locations);
- b.** Accept your products or services (Recipient Locations);
- c.** Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
- d.** Attract customers to your business (Leader Locations).

BUSINESS INCOME ACTUAL LOSS SUSTAINED — 12 MONTH LIMITATION ENDORSEMENT

COMMERCIAL PROPERTY
CP 76 60 01 16

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Under Paragraph A.5. Additional Coverages:

1. Subparagraph (1)(b)(ii) of **c. Extended Business Income** is deleted and replaced with the following:
 - ii. 90 consecutive days after the date determined in (1)(a) above.
2. Subparagraph (2)(b)(ii) of **c. Extended Business Income** is deleted and replaced with the following:
 - ii. 90 consecutive days after the date determined in (2)(a) above.

B. Section B. Limits of Insurance is deleted and replaced by the following:

B. Limits of Insurance

The most we will pay for any one occurrence of loss covered under Section **A.1. Business Income** and **A.2. Extra Expense** of this form is the actual loss of Business Income you sustain and Extra Expense you incur during the 12 consecutive month period following the date of direct physical loss or damage at described premises shown in the Declarations.

For covered loss of Business Income and Extra Expense incurred during this policy's effective period, the 12 consecutive month time period will not terminate upon expiration of this policy.

Any Additional Coverages and Coverage Extensions subject to a specific limit contained in that Additional Coverage and Coverage Extension remain subject to that specific limit.

- C. Section D. Additional Condition COINSURANCE** is deleted and does not apply.
- D. Section E. Optional Coverages** is deleted and does not apply.

ACCOUNTS RECEIVABLE COVERAGE ENDORSEMENT

COMMERCIAL PROPERTY
CP 76 64 01 16

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM**

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by the endorsement.

With respect only to this endorsement, Sections **A. Coverage** and **B. Exclusions and Limitations** of the **Building And Personal Property Coverage Form** and the **Causes of Loss - Special Form** are deleted in their entirety and replaced with the following provisions.

A. COVERAGE**1. We will pay:**

- a. All amounts due from your customers that you are unable to collect;
- b. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- c. Collection expenses in excess of your normal collection expenses that are made necessary by the loss; and
- d. Other reasonable expenses that you incur to reestablish your records of accounts receivable;

that result from any Covered Cause of Loss to your records of accounts receivable.

2. PROPERTY NOT COVERED

Coverage does not apply to:

- a. Records of accounts receivable in storage away from the "premises" shown in the Declarations except as provided in the Away From Your "Premises" Coverage Extension of this endorsement; or
- b. Contraband or property in the course of illegal transportation or trade.

3. COVERED CAUSES OF LOSS

Covered Causes of Loss means risks of direct physical loss or damage to your records of accounts receivable except those causes of loss listed in the Exclusions.

4. ADDITIONAL COVERAGE - COLLAPSE

We will pay for direct loss caused by or resulting from risks of direct physical loss involving collapse of all or part of a building or structure caused by one or more of the following:

- a. Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; all only as insured against in this endorsement;
- b. Hidden decay;
- c. Hidden insect or vermin damage;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof;
- f. Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

This Additional Coverage does not increase the Limits of Insurance provided in the ElitePac Schedule.

5. Coverage Extension**a. Removal**

If you give us written notice within 10 days of removal of your records of accounts receivable because of imminent danger of loss or damage, we will pay for loss or damage while they are:

- (1) At a safe place away from your "premises"; or
- (2) Being taken to and returned from that place.

This Coverage Extension is included within the Accounts Receivable Limit of Insurance shown in the ElitePac Schedule and is not in addition to the limits shown in the ElitePac Schedule.

b. Away From Your "Premises"

We will pay up to \$25,000 for loss to Covered Property while it is away from your "premises".

The limit for this Coverage Extension is in addition to the limits shown in the ElitePac Schedule.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. GOVERNMENTAL ACTION

Seizure or destruction of property by order of governmental authority.

But we will pay for loss caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire caused by a Covered Cause of Loss to prevent its spread.

b. NUCLEAR HAZARD

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct loss caused by a resulting fire if the fire would be covered under this endorsement.

c. WAR AND MILITARY ACTION

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for loss caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market or any other consequential loss.

- b. Dishonest or criminal act committed by:

- (1) You, any of your partners, your employees, directors, trustees or authorized representatives;
- (2) Anyone else with an interest in the property, or their employees or authorized representatives; or
- (3) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

But this exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

- c. Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- d. Bookkeeping, accounting or billing errors or omissions.
- e. Electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:

- (1) Programming errors or faulty machine instructions;
- (2) Faulty installation or maintenance of data processing equipment or component parts;
- (3) An occurrence that took place more than 100 feet from your "premises"; or
- (4) Interruption of electrical power supply, power surge, blackout or brownout if the cause of such occurrence took place more than 1,000 feet from your "premises".

But we will pay for direct loss caused by lightning.

- f. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

- g. Unauthorized instructions to transfer property to any person or to any place.
- 3. We will not pay for loss that requires any audit of records or any inventory computation to prove its factual existence.
- 4. We will not pay for loss caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss:
 - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance:

of part or all of any property wherever located.
 - d. Collapse except as provided in the **Additional Coverage - Collapse** section of this endorsement.

C. ADDITIONAL CONDITIONS

1. Determination of Receivables

Property Loss Condition **E.7. Valuation** is replaced by the following:

- a. If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage, the following method will be used:
 - (1) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss occurs; and

- (2) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
- b. The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (1) The amount of the accounts for which there is no loss;
 - (2) The amount of the accounts that you are able to reestablish or collect;
 - (3) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (4) All unearned interest and service charges.

2. RECOVERIES

The following is added to the Commercial Property Conditions:

You will pay us the amount of all recoveries you receive for a loss paid by us. But any recoveries in excess of the amount we have paid belong to you.

3. COVERAGE TERRITORY

The Coverage Territory contained in the Commercial Property Conditions is deleted and replaced by the following:

We cover record of accounts receivable:

- (1) Within your "premises"; and
- (2) Away from your "premises" while in transit or within premises of others if those premises are located or the transit is within:
 - (a) The United States of America including its territories and possessions;
 - (b) Puerto Rico; and
 - (c) Canada.

D. ADDITIONAL DEFINITIONS

- 1. "Premises" means that interior portion of the building at the address shown in the Declarations that you occupy for your business.

COMMERCIAL PROPERTY
CP 76 67 01 16

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 CAUSES OF LOSS - SPECIAL FORM
 BUSINESS INCOME COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by the endorsement.

With respect only to this endorsement, Sections **A. Coverage** and **B. Exclusions and Limitations** of the **Building And Personal Property Coverage Form** and the **Causes of Loss - Special Form** are deleted in their entirety and replaced with the following provisions.

A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from any Covered Cause of Loss.

1. COVERED PROPERTY

- a. "Equipment"; and
- b. "Data"

while at the described premises, while in transit, or while at any unnamed premises.

2. PROPERTY NOT COVERED

Covered Property does not include:

- a. "Equipment" rented, leased or sold to others;
- b. Program support documentation, flowcharts, record formats, or narrative descriptions, unless this property has been converted to "data" form;
- c. Accounts, bills, evidences of debt, valuable papers, abstracts, records, deeds, manuscripts or other documents, unless converted to "data" and then only in that form;
- d. Contraband or property in the course of illegal transportation or trade;
- e. Stock in trade; or
- f. Theft or disappearance of "portable computers" while in transit as checked luggage.

3. COVERED CAUSES OF LOSS

Covered Causes of Loss means risk of direct physical loss to Covered Property except those causes of loss listed in the Exclusions.

4. COVERAGE EXTENSIONS

a. Debris Removal Coverage

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss.
- (2) This coverage extension does not include the cost to:
 - (a) Extract pollutants from land or water; or
 - (b) Remove, restore, or replace polluted land or water.
- (3) The most we will pay under this coverage extension is:
 - (a) 25% of the amount we pay for the direct physical loss. However, we will not pay more for loss to Covered Property and debris removal combined than the limit shown in the ElitePac Schedule; and
 - (b) Up to \$10,000 for debris removal expense when the debris removal expense exceeds 25% of the amount we pay for direct physical loss or when the loss to Covered Property and debris removal combined exceeds the limit shown in the ElitePac Schedule.
- (4) We will not pay any expenses unless they are reported to us in writing within 180 days from the date of direct physical loss to Covered Property.

b. Emergency Removal

We will pay for loss to Covered Property that has been moved because of the imminent danger of loss while it is:

- (1) At a safe place away from your premises; or
- (2) Being taken to and returned from that place.

This Coverage Extension is:

- (1) Included within the Limit shown in the ElitePac Schedule applicable to the premises from which the Covered Property is removed.
- (2) Applies for up to 365 days after the Covered Property is first moved, but not beyond the policy expiration.

We will also pay up to \$5,000 of the expense to move or store Covered Property to prevent loss or damage from a Covered Cause of Loss. This is in addition to the Limit shown in the ElitePac Schedule.

c. Duplicate "Electronic Data" Coverage

We will cover duplicate or back-up copies of "data" while stored away from your described premises at a data storage warehouse or like facility specifically designed for storage of this type of property.

The most we will pay for loss or damage under this Coverage Extension is \$10,000.

d. Fire Protection System Recharge

We will pay up to \$5,000 for costs you actually incur in recharging any automatic fire protection system, even if discharged accidentally. The Deductible will not apply to this Coverage Extension.

e. Virus or Harmful Code

- (1) We will pay the cost to replace or restore "electronic data":
 - (a) Which has been destroyed or corrupted by a virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation; or

- (b) Which has been scanned, copied or observed by an unauthorized person's access into a computer system (including "electronic data") or a network to which it is connected.

- (2) If a Business Income Limit of Insurance is shown in the Declarations, we will pay the loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration" caused by an interruption in computer operation due to the:
 - (a) Destruction or corruption of "electronic data" due to a virus, harmful code or similar instruction; or
 - (b) Scanning, copying or observation of "electronic data" by an unauthorized person.

- (a) Destruction or corruption of "electronic data" due to a virus, harmful code or similar instruction; or
- (b) Scanning, copying or observation of "electronic data" by an unauthorized person.

This does not apply to loss sustained after the end of the "period of restoration", even if the Limit of Insurance for this Coverage Extension has not been exhausted.

This Coverage Extension does not apply to:

- (1) Loss of exclusive use of any "data";
- (2) Reduction in the economic or market value of any "data";
- (3) Loss, damage, expense or loss of Business Income caused by or resulting from manipulation of a computer system (including "electronic data") by any employee, including a temporary or leased employee or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system; or
- (4) Theft of personal or proprietary information.

The most we will pay under this Coverage Extension is:

- (1) \$25,000 in any one occurrence; and
- (2) \$75,000 in any one policy year.

With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

f. Fraud and Deceit

We will pay for loss by theft of Covered Property when you, your employees, agents, customers, and/or consignees are fraudulently induced to part with the Covered Property:

- (1) To persons who falsely represent themselves as the proper persons to receive the property; or
- (2) By the acceptance of fraudulent bills of lading or shipping receipts.

The most we will pay in any one occurrence for theft of Covered Property under this Coverage Extension is \$5,000.

g. Incompatible Equipment and Data

In the event of loss or damage to Covered Property from a Covered Cause of Loss, we will pay the cost to modify or replace undamaged Covered Property when it:

- (1) Was dependent on the damaged Covered Property prior to the covered loss; and
- (2) Is not compatible with the Covered Property that is replacing the property that was involved in the covered loss.

We will only pay for your costs to modify or replace undamaged property if the incompatible property is at a described premises.

The most we will pay in any one occurrence for your costs to modify or replace incompatible Covered Property is \$5,000.

This Coverage Extension is in addition to the limit shown in the ElitePac schedule.

h. Foreign Transit and Location Coverage

- (1) We will pay for direct physical loss caused by a Covered Cause of Loss to "portable computers", including pre-installed programs and applications, while temporarily at a foreign location outside of the boundaries described under the Coverage Territory.

- (2) In addition to the property described under **A.2. Property Not Covered**, this coverage does not include:

- (a) Property that is shipped via mail;
- (b) Property where you are required to provide a negotiable ocean cargo policy or certificate to any seller, buyer, or bank;
- (c) Property shipped to or located in a country subject of a trade embargo, economic sanctions, or other trade restrictions by the government of the United States of America; or
- (d) Property while in transit as checked baggage.

- (3) The most we will pay under this Coverage Extension in any one occurrence is \$10,000.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. GOVERNMENTAL ACTION

Seizure or destruction of property by order of governmental authority. But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to pre-vent its spread if the fire would be covered under this coverage form.

b. NUCLEAR HAZARD

Nuclear reaction or radiation, or radioactive contamination, however caused.

But, if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this endorsement.

c. WAR AND MILITARY ACTION

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

Exclusions 1.a. through 1.c. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:
- a. Delay, loss of use, loss of market or any other consequential loss.
 - b. Dishonest acts by:
 - (1) You, any of your partners, employees or authorized representatives;
 - (2) A manager or a member if you are a limited liability company;
 - (3) Anyone else with an interest in the property, or their employees or authorized representatives; or
 - (4) Anyone else to whom the property is entrusted.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

But this exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

- c. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense except as provided by the Coverage Extension for Fraud and Deceit.
- d. Unauthorized instructions to transfer property to any person or to any place.
- e. Errors or omissions in programming.
- f. Unexplained disappearance.
- g. Shortage found upon taking inventory.
- h. Lapse, suspension or cancellation of any lease, license, contract or order.
- i. Enforcement of any ordinance or law regulating or restricting the construction, use or repair of any property.

- j. Virus, harmful code or similar instructions as outlined below, except as provided by the Coverage Extension for Virus or Harmful Code:

- (1) The introduction into your computer systems of a virus, harmful code or similar instruction enacted on a computer system (including "electronic data") or network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation; and
- (2) The unauthorized intrusion into your computer system (including "electronic data") or network to which it is connected, designed to:
 - (a) Damage or destroy any part of the system or disrupt its normal operation; or
 - (b) Observe, scan or copy "data".

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss:

- a. Wear and tear, depreciation.
- b. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration.
- c. Insects, vermin or rodents.
- d. Corrosion or rust.
- e. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

C. ADDITIONAL CONDITIONS

1. Valuation

Property Loss Condition E.7. Valuation is replaced by the following:

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. "Data"

The value of "data" will be the actual cost to reproduce. If the "data" is not replaced or reproduced, we will pay the cost of the value of the "media" with no stored "data".

b. "Equipment"

The value of "equipment" will be its replacement cost without deduction for depreciation. We will not pay more for any loss on a replacement cost basis than the least of:

- (1) The limit shown in the ElitePac Schedule.
- (2) The cost to replace the "equipment" with other "equipment":
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
- (3) The amount you actually spend that is necessary to repair or replace the "equipment".

We will not pay on a replacement cost basis for any loss:

- (1) Until the "equipment" is actually repaired or replaced; and
- (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss.

In the event of loss, the value of the "equipment" will be determined as of the time of loss.

c. Media

The value of "media" will be based on the cost to repair or replace the "media" with material of the same kind or quality.

D. ADDITIONAL DEFINITIONS**1. "Data" means:**

- a. Records, information and files stored on magnetic tapes, disk packs, drums, paper tapes and cards;
- b. Programming records used for electronic data processing or electronically controlled equipment; and
- c. "Media".

2. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of "electronic data", means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
3. "Equipment" means a network of machine components that accepts information, processes it according to a plan and produces a desired result. This includes programmable electronic devices that can store, retrieve and process data and associated peripheral devices that provide communication including input and output functions such as printing, or auxiliary functions such as data transmission. It includes air conditioning, fire suppression equipment and electrical equipment used exclusively in your computer operations.
4. "Media" means the material on which data is recorded, such as magnetic tapes, disk packs, drums, paper tapes, cards and programs. This includes the data stored on the "media".
5. "Portable computers" means computers used in your "operations" easily transported by one person such as laptops, notebooks and personal digital assistants. This includes portable electronic accessories used with the "portable computer" such as multimedia projectors.

FINE ARTS COVERAGE ENDORSEMENT

COMMERCIAL PROPERTY
CP 76 68 01 16

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM**

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by the endorsement.

With respect only to this endorsement, Sections **A. Coverage** and **B. Exclusions and Limitations** of the **Building And Personal Property Coverage Form** and the **Causes of Loss - Special Form** are deleted in their entirety and replaced with the following provisions.

A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from any Covered Cause of Loss.

1. COVERED PROPERTY

- a. Your "fine arts"; and
- b. "Fine arts" of others that are in your care, custody or control.

2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Property while on exhibition at fair grounds or on the premises of any national or international exposition; or
- b. Contraband, or property in the course of illegal transportation or trade.

3. COVERED CAUSES OF LOSS

Covered Causes of Loss means risk of direct physical loss to Covered Property except those causes of loss listed in the Exclusions.

B. EXCLUSIONS

1. We will not pay for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. GOVERNMENTAL ACTION

Seizure or destruction of property by order of governmental authority.

But we will pay for loss caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire caused by a Covered Cause of Loss to prevent its spread.

b. NUCLEAR HAZARD

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct loss caused by a resulting fire if the fire would be covered under this endorsement.

c. WAR AND MILITARY ACTION

- (1) War, including undeclared or civil war;
 - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.
2. We will not pay for loss caused by or resulting from any of the following:
 - a. Delay, loss of use, loss of market or any other consequential loss.
 - b. Dishonest acts by:
 - (1) You, your employees or authorized representatives;
 - (2) Anyone else with an interest in the property, or their employees or authorized representatives; or
 - (3) Anyone else to whom the property is entrusted.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

But this exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire.

- c. Breakage of art glass windows, statuary, glassware, bric-a-brac, marble, porcelain and similar fragile property.

But we will pay for such loss caused directly by fire, lightning, explosion, windstorm, earthquake, flood, vandalism, aircraft, rioters, strikers, theft or attempted theft, or by accident to the vehicle carrying the property, if these causes of loss would be covered under this endorsement.

- d. Any repairing, restoration or retouching of the Covered Property.
 - e. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
 - f. Unauthorized instructions to transfer property to any person or to any place.
3. We will not pay for loss caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss:
- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss.
 - b. Wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration, insects, vermin or rodents.

C. ADDITIONAL CONDITIONS

1. Valuation

Property Loss Condition **E.7. Valuation** is replaced by the following:

The value of Covered Property will be at the fair market value at the time of loss or damage.

2. Coverage Territory

The Coverage Territory contained in the Commercial Property Conditions is deleted and replaced with the following:

We cover property wherever located within:

- a. The United States of America including its territories and possessions;
- b. Puerto Rico; and
- c. Canada.

3. Packing and Unpacking

You agree that Covered Property will be packed and unpacked by competent packers.

4. Pair or Sets

In case of total loss of any items that are part of a pair or set, we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss; or
- b. Pay the difference between the value of the pair or set before the loss.

D. ADDITIONAL DEFINITIONS

- 1. "Fine arts" means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, and similar property of rarity, historical value or artistic merit.

COMMERCIAL PROPERTY
CP 76 69 01 16

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 CAUSES OF LOSS - SPECIAL FORM**

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by the endorsement.

With respect only to this endorsement, Sections **A. Coverage** and **B. Exclusions and Limitations** of the **Building And Personal Property Coverage Form** and the **Causes of Loss - Special Form** are deleted in their entirety and replaced with the following provisions.

A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from any Covered Cause of Loss.

1. COVERED PROPERTY, as used in this endorsement, means:

All materials, supplies, fixtures, machinery and equipment of any nature whatsoever intended for installation while:

- a. At the "job site";
- b. At any temporary storage location; or
- c. In transit.

2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Property on your premises unless intended to be installed at any described "job site";
- b. Contractors or subcontractors machinery, tools, equipment and property of a similar nature not intended for installation;
- c. Property that has been sold under a deferred payment sales agreement after installation is complete;
- d. Land (including land on which the property is located) or water;
- e. Trees, shrubs, lawns or plants;
- f. Plans, blueprints, designs, specifications or any other similar property; or
- g. Contraband or property in the course of illegal transportation or trade.

3. COVERED CAUSES OF LOSS

Covered Causes of Loss means direct physical loss or damage to Covered Property, except those causes of loss or damage listed in Section **B. EXCLUSIONS**.

B. EXCLUSIONS

- 1.** We will not pay for a loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

a. ORDINANCE OR LAW

- (1)** The enforcement of any ordinance or law:
 - (a)** Regulating the construction, use or repair of any property; or
 - (b)** Requiring the tearing down of any property, including the cost of removing its debris.
- (2)** This exclusion applies whether the loss or damage results from:
 - (a)** An ordinance or law that is enforced even if the property has not been damaged; or
 - (b)** The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss or damage to that property.

b. GOVERNMENTAL ACTION

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this endorsement.

c. NUCLEAR HAZARD

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for direct loss or damage caused by that fire if the fire would be covered under this endorsement.

d. WAR AND MILITARY ACTION

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

e. "FUNGUS", WET ROT AND DRY ROT

Presence, growth, proliferation, spread or any activity of "fungus", or wet or dry rot.

But if "fungus", or wet or dry rot results in a "specified causes of loss or damage", we will pay for the loss or damage caused by that "specified causes of loss or damage".

This exclusion does not apply:

- (1) When "fungus", or wet or dry rot results from fire or lightning; or
- (2) To the extent that coverage is provided in the Coverage Extension - Limited Coverage For "Fungus", Wet Rot And Dry Rot with respect to loss or damage by a cause of loss or damage other than fire or lightning.

f. VIRUS, BACTERIUM OR OTHER MICRO-ORGANISM

Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", or wet rot or dry rot. Such loss or damage is addressed in the previous exclusion.

The terms of this exclusion, or the inapplicability of this exclusion to a particular loss or damage, does not serve to create coverage for any loss or damage that would otherwise be excluded under this endorsement.

Exclusions **B.1.a.** through **B.1.f.** apply whether or not the loss or damage event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market or any other consequential loss.
- b. Unexplained disappearance.
- c. Shortage found upon taking inventory.
- d. Dishonest or criminal act committed by:

(1) You, any of your partners, employees (including leased and temporary employees), directors, trustees, or authorized representatives;

(2) A "manager" or a "member" if you are a limited liability company;

(3) Anyone else with an interest in the property, or their employees or authorized representatives; or

(4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees (including leased employees or temporary employees). But theft by employees (including leased employees or temporary employees) is not covered.

e. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

(1) Electrical or electronic wire, device, appliance, system or network; or

(2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes, but is not limited to, electrical current, including arcing; electrical charge produced or conducted by a magnetic or electromagnetic field; pulse or electromagnetic energy; electromagnetic waves or micro-waves.

But if artificially generated electrical, magnetic or electromagnetic energy, as described above, results in fire, we will pay the direct loss or damage caused by that fire if the fire would be covered under this endorsement.

- f. Unauthorized instructions to transfer property to any person or to any place.
 - g. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss or damage.
3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.
- a. Wear and tear.
 - b. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration.
 - c. Mechanical breakdown.
 - d. Insects, vermin or rodents.
 - e. Rust or other corrosion, dampness or extremes of temperature.

C. ADDITIONAL CONDITIONS

1. VALUATION

Property Loss Condition **E.7. Valuation** is replaced by the following:

The value of Covered Property will be based on replacement cost.

Replacement cost is limited to the cost of repair or replacement with similar materials on the same "job site" and used for the same purpose. It does not include costs you incur over and above the costs you would have incurred had there been no loss, including:

- a. Additional interest payments on money borrowed to finance construction, remodeling, renovation, or repair including increased interest payments due to a rise in interest rates;

- b. Additional insurance premiums, real estate and property taxes, and assessments which you incur for the period of time covered by this endorsement that construction extends beyond the estimated completion date;
- c. Additional construction permit, architect, engineering and consulting fees which become necessary due to the direct physical loss or damage;
- d. Additional legal, lease administration or accounting fees;
- e. Additional advertising and promotional expenses which become necessary due to the direct physical loss or damage; and
- f. The additional cost to extend leases for construction equipment and temporary office space.

If the part of the covered property that sustains direct physical loss or damage is repaired or replaced, the payment will not exceed the amount you spend to repair or replace the damaged or destroyed property.

2. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

Property Condition **I. Transfer of Rights of Recovery Against Others To Us** is replaced by the following:

We will waive any rights of recovery we may have against a person or organization because of payments we make for loss or damage to Covered Property if you have agreed to waive any right of recovery against that person or organization in a written contract or written agreement, but only if the loss or damage occurs subsequent to the execution of the written contract or written agreement. However, this does not apply to:

- a. Any architect, engineer or other party or entity responsible for any design, specification or plans for the fabrication, erection or completion of the property insured with respect to any loss or damage that may be caused by:
 - (1) Fault, defect, error or omission in such design, specifications or plans; or
 - (2) Performance of, or failure to perform, supervisory or management functions related to the construction project(s).
- b. Any contractor, manufacturer or supplier of Covered Property that has agreed to make good any loss or damage under a guarantee or warranty.

3. COVERAGE TERRITORY

The Coverage Territory contained in the Commercial Property Conditions is deleted and replaced with the following:

We cover property wherever located within:

- a. The United States of America including its territories and possessions;
- b. Puerto Rico; and
- c. Canada.

4. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee shown on the Loss Payee Schedule have an insurable interest, we will:

- a. Adjust losses or damages with you; and
- b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

5. WHEN COVERAGE WILL END

The insurance provided by this endorsement will end when one of the following first occurs:

- a. This policy expires or is cancelled;
- b. The property is accepted by the owner or buyer;
- c. Your interest in the property ceases; or
- d. 30 days after installation is complete.

D. ADDITIONAL DEFINITIONS

1. "Job site" means the premises where you or subcontractors working on your behalf are currently performing operations and where the "installation property" will be permanently located at the completion of the construction, erection, fabrication or installation.
2. "Specified causes of loss or damage" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
3. "Manager" means a person serving in a directorial capacity for a limited liability company.
4. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".

MOBILE EQUIPMENT COVERAGE ENDORSEMENT

COMMERCIAL PROPERTY
CP 76 70 01 16

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by the endorsement.

With respect only to this endorsement, Sections **A. Coverage** and **B. Exclusions and Limitations** of the **Building And Personal Property Coverage Form** and the **Causes of Loss - Special Form** are deleted in their entirety and replaced with the following provisions.

A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from any Covered Cause of Loss.

1. COVERED PROPERTY

- a. Your mobile equipment; and
- b. Mobile equipment of others in your care, custody or control.

2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Automobiles, motor trucks, motorcycles, trailers, semi-trailers or any other vehicles designed and principally used for highway transportation unless unlicensed and not operated on public roads;
- b. Aircraft or watercraft;
- c. Property while waterborne, except while in transit by carriers for hire;
- d. Property while stored or operated underground in connection with any mining or drilling operations; or
- e. Contraband or property in the course of illegal transportation or trade.

3. COVERED CAUSES OF LOSS

Covered Causes of Loss means risks of direct physical loss to Covered Property except those causes of loss listed in the Exclusions.

B. EXCLUSIONS

1. We will not pay for loss caused directly by any of the following. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. GOVERNMENTAL ACTION

Seizure or destruction of property by order of governmental authority.

But we will pay for loss caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire caused by a Covered Cause of Loss to prevent its spread.

b. NUCLEAR HAZARD

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct loss caused by a resulting fire if the fire would be covered under this endorsement.

c. WAR AND MILITARY ACTION

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for loss caused by or resulting from any of the following:

a. Dishonest acts by:

- (1)** You, your employees or authorized representatives;
- (2)** Anyone else with an interest in the property, or their employees or authorized representatives; or
- (3)** Anyone else to whom the property is entrusted.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons and without regard to whether such acts occur during the hours of employment.

This exclusion does not apply to Covered Property in the custody of a carrier for hire.

b. Missing property where the only proof of loss is unexplained or mysterious disappearance of Covered Property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the Covered Property.

This exclusion does not apply to Covered Property in the custody of a carrier for hire.

c. Discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (1)** Unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "Specified Causes of Loss"; or
- (2)** Except as provided for in the Pollutant Clean Up and Removal Coverage Extension.

But if loss by any of the "Specified Causes of Loss" results from the discharge, dispersal, seepage, migration, release or escape of "pollutants", we will pay for the resulting loss caused by the "Specified Causes of Loss".

d. Processing or work upon the Covered Property.

But we will pay for direct loss to Covered Property caused by resulting fire or explosion, if these causes of loss would be covered under this endorsement.

e. Artificially generated current creating a short circuit or other electric disturbance within an item covered under this endorsement.

But we will pay for direct loss to Covered Property caused by resulting fire or explosion, if these causes of loss would be covered under this endorsement.

This exclusion only applies to loss to that item in which the disturbance occurs.

f. Weight of a load which under the operating conditions at the time of loss exceeds the registered lifting capacity of the equipment.

g. Delay, loss of use, loss of market or any other cause of consequential loss.

h. Voluntary parting with any Covered Property whether or not induced to do so by any fraudulent scheme, trick, device or false pretense.

3. We will not pay for loss caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss:

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss.

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Faulty, inadequate or defective:

(1) Planning, zoning, development, surveying, siting;

(2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

of part or all of any property wherever located.

d. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, mechanical breakdown, corrosion, rust, dampness, cold or heat.

C. ADDITIONAL CONDITIONS**1. COVERAGE TERRITORY**

The Coverage Territory contained in the Commercial Property Conditions is deleted and replaced with the following:

We cover property wherever located within:

- a. The United States of America including its territories and possessions;
- b. Puerto Rico; and
- c. Canada.

D. ADDITIONAL DEFINITIONS

- 1. "Specified Causes of Loss" means fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; sonic boom; volcanic action; falling objects; weight of snow, ice or sleet or water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.

- b. Falling objects does not include loss or damage to:

- (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a part of a system or appliance containing water or steam.

PERSONAL EFFECTS COVERAGE ENDORSEMENTCOMMERCIAL PROPERTY
CP 76 71 01 16**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by the endorsement.

With respect only to this endorsement, Sections **A. Coverage** and **B. Exclusions and Limitations** of the **Building And Personal Property Coverage Form** and the **Causes of Loss - Special Form** are deleted in their entirety and replaced with the following provisions.

A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from any Covered Cause of Loss.

1. COVERED PROPERTY**a. Personal effects owned by:**

- (1) You, any of your partners, members, officers or your managers;
- (2) Your employees;
- (3) Non-compensated officer, member or volunteer of your non-profit organization; and
- (4) Member, cleric or volunteer of your religious organization.

b. Personal effects of others in your care, custody or control.**2. PROPERTY NOT COVERED**

Covered Property does not include:

- a.** Automobiles, motor trucks, motorcycles, aircraft or watercraft;
- b.** Accounts, bills, currency, deeds, money, notes, securities and evidence of debt; or
- c.** Contraband or property in the course of illegal transportation or trade.

3. COVERED CAUSES OF LOSS

Covered Causes of Loss means risk of direct physical loss to Covered Property except those causes of loss listed in the Exclusions.

4. COVERAGE EXTENSIONS**a. Personal Effects Outside the Coverage Territory**

- (1) We will pay for direct physical loss to Covered Property while temporarily at a location outside of the Coverage Territory.
- (2) This Coverage Extension does not include, in addition to the property described under Paragraph **A.2. Property Not Covered**:
 - (a) Property that is shipped via mail;
 - (b) Property where you are required to provide a negotiable ocean cargo policy or certificate to any seller, buyer or bank; or
 - (c) Property shipped to or located in a country subject of a trade embargo, economic sanctions, or other trade restrictions by the government of the United States of America.
- (3) The most we will pay under this Coverage Extension is:
 - (a) \$5,000 per person; and
 - (b) \$25,000 per occurrence.

B. EXCLUSIONS

1. We will not pay for loss caused directly by any of the following. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. GOVERNMENTAL ACTION

Seizure or destruction of property by order of governmental authority.

But we will pay for loss caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire caused by a Covered Cause of Loss to prevent its spread.

b. NUCLEAR HAZARD

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct loss caused by a resulting fire if the fire would be covered under this endorsement.

c. WAR AND MILITARY ACTION

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for loss caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market, or any other consequential loss.
- b. Dishonest acts by:
 - (1) You, your employees or authorized representatives;
 - (2) Anyone else with an interest in the property, or their employees or authorized representatives; or
 - (3) Anyone else to whom the property is entrusted.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons and without regard to whether such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire.

- c. Missing property where the only proof of loss is unexplained or mysterious disappearance of Covered Property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the Covered Property.

This exclusion does not apply to Covered Property in the custody of a carrier for hire.

- d. Unexplained disappearance.
- e. Shortage found upon taking inventory.
- f. Processing or work upon the Covered Property.

But we will pay for direct loss to Covered Property caused by resulting fire or explosion, if these causes of loss would be covered under this endorsement.

- g. Artificially generated current creating a short circuit or other electric disturbance within an item covered under this endorsement.

But we will pay for direct loss to Covered Property caused by resulting fire or explosion, if these causes of loss would be covered under this endorsement.

This exclusion only applies to loss to that item in which the disturbance occurs.

3. We will not pay for loss caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss:

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss.
- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
- d. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, mechanical breakdown, corrosion, rust, dampness, cold or heat.

C. ADDITIONAL CONDITIONS**1. COVERAGE TERRITORY**

The Coverage Territory contained in the Commercial Property Conditions is deleted and replaced with the following:

We cover property wherever located within:

- a. The United States of America including its territories and possessions;
- b. Puerto Rico; and
- c. Canada.

2. Loss Payment

The following is added to Section **E. Loss Conditions**, Paragraph **4. Loss Payments**:

Our payment for loss of or damage to personal effects will only be for the account of the owner of the property.

PROPERTY IN TRANSIT COVERAGE ENDORSEMENT

COMMERCIAL PROPERTY
CP 76 72 01 16

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM
BUSINESS INCOME COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by the endorsement.

With respect only to this endorsement, Sections **A. Coverage** and **B. Exclusions and Limitations** of the **Building And Personal Property Coverage Form** and the **Causes of Loss - Special Form** are deleted in their entirety and replaced with the following provisions.

A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from any Covered Cause of Loss.

1. COVERED PROPERTY

- a. Covered Property, as used in this endorsement, means:

- (1) Your personal property; or
 - (2) Personal property of others in your care, custody or control;
- used in your business that is in transit by any carrier or messenger for hire at your risk.

- b. We cover property shipped:

- (1) By any type of carrier or vehicle; or
- (2) In or on any land vehicle you own or operate.

2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Accounts, bills, currency, deeds, evidences of debt, money, notes or securities;
- b. Bullion, gold or other precious metals, jewelry, watches, precious or semiprecious stones;
- c. Furs;
- d. Coins or stamps;
- e. Live animals;
- f. The vehicle(s) carrying the property;

- g. Property in the custody of a government postal service;
- h. Property you accept while acting as a common or contract carrier;
- i. Property while waterborne. However, we cover property while aboard vessels on inland waterways when the waterborne transportation is incidental to the land portion of the journey;
- j. Import shipments:
 - (1) Until discharged from the import conveyance; or
 - (2) Until Ocean Marine insurance ceases; whichever occurs last;
- k. Export shipments:
 - (1) After placed on the outbound conveyance; or
 - (2) When Ocean Marine insurance applies to the shipment; whichever occurs first;
- l. Works of art;
- m. Contraband or property in the course of illegal transportation or trade;
- n. Salesperson's samples; or
- o. Installation property.

3. WHEN COVERAGE APPLIES

We cover property only:

- a. While in the custody of the carrier or messenger for hire:
 - (1) Until the property is delivered at its destination; or
 - (2) If the property is not delivered until it is returned to you.

We also cover the property held temporarily in storage prior to delivery to its destination or its return to you; and

- b. In or on any land vehicle you own or operate while in transit from the time the vehicle leaves the premises where the shipment begins until the vehicle arrives at its destination.

4. COVERED CAUSES OF LOSS

Covered Causes of Loss means risk of direct physical loss or damage to Covered Property except those causes of loss listed in the Exclusions.

5. COVERAGE EXTENSIONS

a. Packing Or Consolidating Companies

We will pay for loss of Covered Property in the custody of a packing or consolidating company employed by you or the consignee. However, this Coverage Extension does not apply if the packing or consolidating company is the agent or representative of you or the consignee for the purpose of this insurance.

b. Fraud Or Deceit

We will pay for loss of Covered Property that you, your agents, messengers, customers or consignees give to a person or persons who falsely present themselves as the proper person to receive goods for shipment or accept goods for delivery.

c. Free On Board (F.O.B.)

We cover your interest in Covered Property you sold F.O.B.

Payments under Coverage Extensions **5.a.**, **5.b.** and **5.c.** will not increase the limit shown in the ElitePac Schedule.

d. Refrigerated Property

We will pay for loss to Covered Property caused by or resulting from breakdown, failure or malfunction of any temperature control system or refrigeration equipment.

Exclusion **B.2.c.** does not apply to this Coverage Extension.

In addition to Section **B. Exclusions**, we will not pay for loss caused by or resulting from the disconnection of any refrigerating, cooling or humidity control system from the source of power.

The most we will pay under this Coverage Extension is \$25,000.

e. Property In Transit Outside the Coverage Territory

We will pay for direct physical loss to Covered Property while in transit outside of the boundaries described under the Coverage Territory.

This coverage does not include, in addition to the property described under Paragraph **A.2. Property Not Covered:**

- (1) Property that is shipped via mail;
- (2) Property where you are required to provide a negotiable ocean cargo policy or certificate to any seller, buyer or bank; or
- (3) Property shipped to or located in a country subject to a trade embargo, economic sanctions, or other trade restrictions by the government of the United States of America.

The most we will pay under this Coverage Extension is:

- (1) \$25,000 for Technology risks; and
- (2) \$10,000 for all other risks.

f. Your Business Personal Property In Transit Business Income

When a **BUSINESS INCOME COVERAGE FORM** is made a part of this policy, we will pay for the actual loss of Business Income you sustain and the necessary Extra Expense you incur due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage to Your Business Personal Property while in due course of transit, caused by or resulting from a Covered Cause of Loss.

The most we will pay under this Coverage Extension is \$25,000.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

a. GOVERNMENTAL ACTION

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

b. NUCLEAR HAZARD

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this endorsement.

c. WAR AND MILITARY ACTION

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

Exclusions **B.1.a.** through **B.1.c.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss caused by or resulting from any of the following:
 - a. Improper packing or stowage, or rough handling. But this exclusion does not apply to loss caused by or resulting from improper packing or stowage, or rough handling by others who are carriers for hire.
 - b. Delay, loss of use, loss of market or any other indirect loss.
 - c. Breakdown of refrigeration equipment except as provided under Paragraph **A.5.d. Refrigerated Property Coverage Extension**. But this exclusion does not apply to others who are carriers for hire.
 - d. Dishonest or criminal act committed by:
 - (1) You, any of your partners, employees, directors, trustees, or authorized representatives;
 - (2) A manager or a member if you are a limited liability company;
 - (3) Anyone else with an interest in the property, or their employees or authorized representatives; or

- (4) Anyone else to whom the property is entrusted for any purpose, except as provided under Paragraph **A.5.b. Fraud and Deceit Coverage Extension**.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees.

- e. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a. Any quality in the property that causes it to damage or destroy itself.
- b. Gradual deterioration, corrosion, rust.
- c. Dampness, extremes of temperature.
- d. Insects, vermin or rodents.

C. ADDITIONAL CONDITIONS**1. Claims Against Others**

The following is added to Commercial Property Loss Condition **3. Duties in the Event of Loss Or Damage**:

You must promptly make claim in writing against any other party which had custody of the Covered Property at the time of loss.

2. The Property Loss Condition **E.7. Valuation** is replaced by the following:

The value of Covered Property will be determined by:

- a. The value agreed on between the shipper and the consignee in writing prior to loss or damage.
- b. If Paragraph a. does not apply the value will be:
 - (1) The invoice price plus accrued costs, pre-paid charges, and charges since shipment of the Covered Property shipped to your customers.

(2) The invoice price plus accrued costs, pre-paid charges and charges since shipment of Covered Property you bought from others.

(3) The value of all other Covered Property will be the least of the following amounts:

(a) The actual net cost;

(b) The cost of restoring that property to its condition immediately before loss; or

(c) The cost of replacement.

The value will include your prepaid freight charges and any other shipping charges that are due since the start of transit.

3. The Coverage Territory contained in the Commercial Property Conditions is deleted and replaced with the following:

Coverage Territory

(1) We cover property wherever located within:

(a) The United States of America including its territories and possessions;

(b) Puerto Rico; and

(c) Canada.

(2) We also cover property being shipped by air within and between points in Paragraph (1).

4. Impairment of Rights of Recovery

The following is added to Commercial Property Condition I. **Transfer of Rights of Recovery Against Other To Us:**

Released Bills Of Lading

You may accept receipts and/or bills of lading issued by carriers limiting the amount of their liability.

5. The following conditions apply in addition to the Commercial Property Conditions:

a. Labels

In the event of loss only to the identifying labels or wrappers containing the Covered Property, we will pay the cost to replace those labels or wrappers if the loss is caused by or results from a Covered Cause of Loss.

b. Records

You must keep accurate records of all shipments covered by this Coverage Form. You must retain these records until the policy ends.

COMMERCIAL PROPERTY
CP 76 73 01 16

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 CAUSES OF LOSS - SPECIAL FORM**

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by the endorsement.

With respect only to this endorsement, Sections **A. Coverage** and **B. Exclusions and Limitations** of the **Building And Personal Property Coverage Form** and the **Causes of Loss - Special Form** are deleted in their entirety and replaced with the following provisions.

A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from any Covered Cause of Loss.

1. COVERED PROPERTY

- a. "Stock" in trade, including containers, while
 - (1) In the custody of your sales representative, agent or any employee who travels with sales samples; or
 - (2) In your custody while acting as a sales representative.
- b. "Stock" in trade of others, including containers, while
 - (1) In the care, custody or control of your sales representative, agent or any employee who travels with sales samples; or
 - (2) In your care, custody or control while you are acting as a sales representative.

2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Property which has been sold;
- b. Accounts, bills, currency, deeds, money, notes, securities and evidence of debt;
- c. Jewelry, precious or semi-precious stones, gold, silver, platinum, or other precious metals or alloys;

- d. Furs, fur garments or garments trimmed with fur;
- e. Automobiles, motor trucks, motorcycles, aircraft or watercraft; and
- f. Contraband or property in the course of illegal transportation or trade.

3. COVERED CAUSES OF LOSS

Covered Causes of Loss means risk of direct physical loss to Covered Property except those causes of loss listed in the Exclusions.

4. COVERAGE EXTENSIONS

a. Salesperson's Samples Outside the Coverage Territory

- (1) We will pay for direct physical loss to Covered Property while temporarily at a location outside of the Coverage Territory.
- (2) This Coverage Extension does not include, in addition to the property described under Paragraph **A.2. Property Not Covered**:
 - (a) Property that is shipped via mail;
 - (b) Property where you are required to provide a negotiable ocean cargo policy or certificate to any seller, buyer or bank; or
 - (c) Property shipped to or located in a country subject of a trade embargo, economic sanctions, or other trade restrictions by the government of the United States of America.
- (3) The most we will pay under this Coverage Extension is:
 - (a) \$25,000 for Technology risks; and
 - (b) \$10,000 for all other risks.

B. EXCLUSIONS

1. We will not pay for loss caused directly by any of the following. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- a. **GOVERNMENTAL ACTION**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire caused by a Covered Cause of Loss to prevent its spread.

- b. **NUCLEAR HAZARD**

- (1) Any weapon employing atomic fission or fusion; or

- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct loss caused by a resulting fire if the fire would be covered under this endorsement.

- c. **WAR AND MILITARY ACTION**

- (1) War, including undeclared or civil war;
 - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for loss caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market, or any other consequential loss.

- b. Dishonest acts by:

- (1) You, your employees or authorized representatives;
 - (2) Anyone else with an interest in the property, or their employees or authorized representatives; or
 - (3) Anyone else to whom the property is entrusted.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons and without regard to whether such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire.

- c. Missing property where the only proof of loss is unexplained or mysterious disappearance of Covered Property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the Covered Property.

This exclusion does not apply to Covered Property in the custody of a carrier for hire.

- d. Unexplained disappearance.

- e. Shortage found upon taking inventory.

- f. Processing or work upon the Covered Property.

But we will pay for direct loss to Covered Property caused by resulting fire or explosion, if these causes of loss would be covered under this endorsement.

- g. Artificially generated current creating a short circuit or other electric disturbance within an item covered under this endorsement.

But we will pay for direct loss to Covered Property caused by resulting fire or explosion, if these causes of loss would be covered under this endorsement.

This exclusion only applies to loss to that item in which the disturbance occurs.

- h. Theft from an unattended vehicle, except when it is securely locked, its windows are fully closed and there is visible evidence that entry into the vehicle was forced.

3. We will not pay for loss caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss:

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss.

- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;of part or all of any property wherever located.
- d. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, mechanical breakdown, corrosion, rust, dampness, cold or heat.

C. ADDITIONAL CONDITIONS

1. COVERAGE TERRITORY

The Coverage Territory contained in the Commercial Property Conditions is deleted and replaced with the following:

We cover property wherever located within:

- a. The United States of America including its territories and possessions;
- b. Puerto Rico; and
- c. Canada.

TOOLS AND EQUIPMENT COVERAGE ENDORSEMENT

COMMERCIAL PROPERTY
CP 76 74 01 16

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM CAUSES OF LOSS - SPECIAL FORM

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by the endorsement.

With respect only to this endorsement, Sections **A. Coverage** and **B. Exclusions and Limitations** of the **Building And Personal Property Coverage Form** and the **Causes of Loss - Special Form** are deleted in their entirety and replaced with the following provisions.

A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from any Covered Cause of Loss.

1. COVERED PROPERTY

- a. Your tools and equipment; and
- b. Tools and equipment of others in your care, custody or control.

2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Automobiles, motor trucks, motorcycles, aircraft or watercraft;
- b. Mobile equipment;
- c. Accounts, bills, currency, deeds, money, notes, securities and evidence of debt; or
- d. Contraband or property in the course of illegal transportation or trade.

3. COVERED CAUSES OF LOSS

Covered Causes of Loss means risks of direct physical loss to Covered Property except those causes of loss listed in the Exclusions.

B. EXCLUSIONS

1. We will not pay for loss caused directly by any of the following. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. GOVERNMENTAL ACTION

Seizure or destruction of property by order of governmental authority.

But we will pay for loss caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire caused by a Covered Cause of Loss to prevent its spread.

b. NUCLEAR HAZARD

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct loss caused by a resulting fire if the fire would be covered under this endorsement.

c. WAR AND MILITARY ACTION

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for loss caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market, or any other consequential loss.
- b. Dishonest acts by:
 - (1) You, your employees or authorized representatives;
 - (2) Anyone else with an interest in the property, or their employees or authorized representatives; or
 - (3) Anyone else to whom the property is entrusted.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons and without regard to whether such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire.

- c. Missing property where the only proof of loss is unexplained or mysterious disappearance of Covered Property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the Covered Property.

This exclusion does not apply to Covered Property in the custody of a carrier for hire.

- d. Unexplained disappearance.
- e. Shortage found upon taking inventory.
- f. Processing or work upon the Covered Property.

But we will pay for direct loss to Covered Property caused by resulting fire or explosion, if these causes of loss would be covered under this endorsement.

- g. Artificially generated current creating a short circuit or other electric disturbance within an item covered under this endorsement.

But we will pay for direct loss to Covered Property caused by resulting fire or explosion, if these causes of loss would be covered under this endorsement.

This exclusion only applies to loss to that item in which the disturbance occurs.

- 3. We will not pay for loss caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss:
 - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss.

- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
 of part or all of any property wherever located.
- d. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, mechanical breakdown, corrosion, rust, dampness, cold or heat.

C. ADDITIONAL CONDITIONS

1. COVERAGE TERRITORY

The Coverage Territory contained in the Commercial Property Conditions is deleted and replaced with the following:

We cover property wherever located within:

- a. The United States of America including its territories and possessions;
- b. Puerto Rico; and
- c. Canada.

VALUABLE PAPERS COVERAGE ENDORSEMENTCOMMERCIAL PROPERTY
CP 76 75 01 16**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM**

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by the endorsement.

With respect only to this endorsement, Sections **A. Coverage** and **B. Exclusions and Limitations** of the **Building And Personal Property Coverage Form** and the **Causes of Loss - Special Form** are deleted in their entirety and replaced with the following provisions.

A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property, as used in this endorsement, means "valuable papers and records" that are your property or property of others in your care, custody or control.

2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Property held as samples or for delivery after sale;
- b. Property in storage away from the "premises" shown in the Declarations except as provided in the Away From Your "Premises" Coverage Extension of this endorsement; or
- c. Contraband or property in the course of illegal transportation or trade.

3. COVERED CAUSES OF LOSS

Covered Causes of Loss means risks of direct physical loss to Covered Property except those causes of loss listed in the Exclusions.

4. ADDITIONAL COVERAGE - COLLAPSE

We will pay for direct loss caused by or resulting from risks of direct physical loss involving collapse of all or part of a building or structure caused by one or more of the following:

- a. Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling

objects; weight of snow, ice or sleet; water damage; all only as insured against in this endorsement;

- b. Hidden decay;
- c. Hidden insect or vermin damage;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof; or
- f. Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

This Additional Coverage does not increase the limit shown in the ElitePac Schedule.

5. Coverage Extension**a. Removal**

If you give us written notice within 10 days of removal of your records of accounts receivable because of imminent danger of loss or damage, we will pay for loss or damage while they are:

- (1) At a safe place away from your "premises"; or
- (2) Being taken to and returned from that place.

This Coverage Extension is included within the limit shown in the ElitePac Schedule for Valuable Papers.

b. Away From Your "Premises"

We will pay up to \$25,000 for loss to Covered Property while it is away from your "premises".

This Coverage Extension is in addition to the limit shown in the ElitePac Schedule for Valuable Papers.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. GOVERNMENTAL ACTION

Seizure or destruction of property by order of governmental authority.

But we will pay for loss caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire caused by a Covered Cause of Loss to prevent its spread.

b. NUCLEAR HAZARD

(1) Any weapon employing atomic fission or fusion; or

(2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct loss caused by a resulting fire if the fire would be covered under this endorsement.

c. WAR AND MILITARY ACTION

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for loss caused by or resulting from any of the following:

a. Delay, loss of use, loss of market or any other consequential loss.

b. Dishonest or criminal act committed by:

(1) You, any of your partners, your employees, directors, trustees or authorized representatives;

(2) Anyone else with an interest in the property, or their employees or authorized representatives; or

(3) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

But this exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

c. Errors or omissions in processing or copying.

But we will pay for direct loss caused by resulting fire or explosion if these causes of loss would be covered by this endorsement.

d. Electrical or magnetic injury, disturbance or erasure of electronic recordings.

But we will pay for direct loss caused by lightning.

e. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

f. Unauthorized instructions to transfer property to any person or to any place.

3. We will not pay for loss caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss:

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss.

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Faulty, inadequate or defective:

(1) Planning, zoning, development, surveying, siting;

(2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

of part or all of any property wherever located.

d. Collapse except as provided in the **Additional Coverage - Collapse** section of this Coverage Form.

e. Wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration; insects, vermin or rodents.

D. ADDITIONAL CONDITIONS**1. VALUATION**

The Property Loss Condition **E.7. Valuation** is deleted and replaced by the following:

The value of property will be the least of the following amounts:

1. The cost of reasonably restoring that property to its condition immediately before loss; or
2. The cost of replacing that property with substantially identical property.

In the event of loss the value of property will be determined as of the time of loss.

2. RECOVERIES

The following is added to Commercial Property Conditions:

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. If so, your loss will be readjusted based on the amount you received for the property recovered, with allowance for recovery expenses incurred.

3. COVERAGE TERRITORY

The Coverage Territory contained in the Commercial Property Conditions is deleted and replaced by the following:

We cover property:

- (1) Within your "premises"; and
- (2) Away from you "premises" while in transit or within the premises of others if those premises are located or the transit is within:
 - (a) The United States of America including its territories and possessions;
 - (b) Puerto Rico; and
 - (c) Canada.

E. ADDITIONAL DEFINITIONS

1. "Valuable papers and records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean "money" or "securities", converted data, programs or instructions used in your data processing operations, including the materials on which the data is recorded.

2. "Premises" means that interior portion of the building at the address shown in the Declarations that you occupy for your business.

3. "Money" means:

- a. Currency, coins and bank notes whether or not in current use; and
- b. Travelers checks, register checks and money orders held for sale to the public.

4. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or other property and includes:

- a. Tokens, tickets, revenue and other stamps whether or not in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not of your own issue;

but does not include "money".

PROVISIONAL RATE ENDORSEMENT

CP 80 05 07 97

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The rates used in the development of the premium for the Commercial Property Coverage Part are provisional. Once the rates are promulgated, we will adjust the premium at the next policy anniversary date.

CP 80 05 07 97

NEW

S 2416351

COMMERCIAL LIABILITY COVERAGE DECLARATION

Policy Effective Date: DECEMBER 14, 2019	Coverage Effective Date: DECEMBER 14, 2019
Business of Named Insured: MANUFACTURER OF CONCRETE/	

Insurance is provided only for those coverages for which a specific limit is shown in the following coverage schedule.

Coverage Limits**COMMERCIAL GENERAL LIABILITY**

General Aggregate Limit (Other Than Products-Completed Operations)	\$2,000,000
Products-Completed Operations -- Aggregate Limit	\$2,000,000
Personal and Advertising -- Injury Limit	\$1,000,000
Each Occurrence Limit	\$1,000,000
Damage To Premises Rented To You Limit -- Any One Premises	\$500,000
Medical Expense Limit -- Any One Person	\$15,000

Commercial Liability Premium (s)

Classification	Class Code	Premium Basis	Rates		Advanced Premium	
			Premises - Operations	Products - Completed Operations	Premises - Operations	Products - Completed Operations
ELITEPAC GENERAL LIABILITY EXTENSION ENDORSEMENT					\$343.00	
TERRORISM					\$183.00	
DATA COMPROMISE	39176		FLAT	CHARGE	\$46.00	----
EMPLOYEE BENEFITS LIABILITY	92100		FLAT	CHARGE	\$156.00	----
MACHINERY MACH. PARTS MFG CONSTRUCTION (T-501)	56650	1,691,831 (S)	.499	4.573	\$844.00	\$7,737
Minimum Premium			\$360.00	\$573.00	Total Premium	\$1,572.00 \$7,737.00

Premium and Rate Legend

(S) Gross Sales - rate per \$1,000 of sales

Location of all premises you own, rent, or control:

Refer to "Schedule of Locations"

This Schedule lists all your premises, operations and other exposures, as they exist as of the coverage effective date.

Forms and Endorsements:

Refer to "Commercial Policy Forms
and Endorsement Schedule"

Total Advance Premium

\$9,309.00

(This premium may be
adjusted.)

EMPLOYEE BENEFITS LIABILITY COVERAGE

POLICY NUMBER: s 2416351

COMMERCIAL GENERAL LIABILITY
CG 04 35 12 07**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Coverage	Limit Of Insurance	Each Employee Deductible	Premium
Employee Benefits Programs	\$1,000,000 each employee \$2,000,000 aggregate	\$ 1,000	

Retroactive Date: 11-30-2019

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to Section I — Coverages:**COVERAGE — EMPLOYEE BENEFITS LIABILITY****1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph D. (Section III — Limits Of Insurance); and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

b. This insurance applies to damages only if:

- (1) The act, error or omission, is negligently committed in the "administration" of your "employee benefit program";
- (2) The act, error or omission, did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and
- (3) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph c. below, during the policy period or an Extended Reporting Period we provide under Paragraph F. of this endorsement.

c. A "claim" seeking damages will be deemed to have been made at the earlier of the following times:

- (1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or
- (2) When we make settlement in accordance with Paragraph a. above.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

- d. All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

2. Exclusions

This insurance does not apply to:

a. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

b. Bodily Injury, Property Damage, Or Personal And Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

c. Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insurer.

d. Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any "claim" based upon:

- (1) Failure of any investment to perform;
- (2) Errors in providing information on past performance of investment vehicles; or
- (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

f. Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

g. ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

h. Available Benefits

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

i. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

j. Employment-Related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

B. For the purposes of the coverage provided by this endorsement:

1. All references to Supplementary Payments — Coverages A and B are replaced by Supplementary Payments — Coverages A, B and Employee Benefits Liability.

2. Paragraphs 1.b. and 2. of the Supplementary Payments provision do not apply.

C. For the purposes of the coverage provided by this endorsement, Paragraphs 2. and 3. of Section II — Who Is An Insured are replaced by the following:

2. Each of the following is also an insured:

- a. Each of your "employees" who is or was authorized to administer your "employee benefit program".
- b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.
- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.
- b. Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.

D. For the purposes of the coverage provided by this endorsement, Section **III — Limits Of Insurance** is replaced by the following:

1. Limits Of Insurance

- a. The Limits of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
 - (1) Insureds;
 - (2) "Claims" made or "suits" brought;
 - (3) Persons or organizations making "claims" or bringing "suits";
 - (4) Acts, errors or omissions; or
 - (5) Benefits included in your "employee benefit program".
- b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".
- c. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:
 - (1) An act, error or omission; or
 - (2) A series of related acts, errors or omissions

negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations of the policy to which this endorsement is attached, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance.

2. Deductible

- a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.
- b. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
- c. The terms of this insurance, including those with respect to:
 - (1) Our right and duty to defend any "suits" seeking those damages; and
 - (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim"
 apply irrespective of the application of the deductible amount.
- d. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.

E. For the purposes of the coverage provided by this endorsement, Conditions **2.** and **4.** of **Section IV — Commercial General Liability Conditions** are replaced by the following:

2. Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"

- a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:

- (1) What the act, error or omission was and when it occurred; and
- (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

b. If a "claim" is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. Excess Insurance

- (1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:

(a) No Retroactive Date is shown in the Schedule of this insurance; or

(b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.

- (2) When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self-insured amounts under all that other insurance.

- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Schedule of this endorsement.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance to the total applicable limits of insurance of all insurers.

- F. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added, or, if this endorsement is attached to a claims-made Coverage Part, replaces any similar Section in that Coverage Part:

EXTENDED REPORTING PERIOD

1. You will have the right to purchase an Extended Reporting Period, as described below, if:
 - a. This endorsement is canceled or not renewed; or
 - b. We renew or replace this endorsement with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
 - (2) Does not apply to an act, error or omission on a claims-made basis.
2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be canceled.
3. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a. The "employee benefit programs" insured;
- b. Previous types and amounts of insurance;
- c. Limits of insurance available under this endorsement for future payment of damages; and

d. Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period starts.

4. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The extended reporting period aggregate limit of insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.

Paragraph **D.1.b.** of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph **D.1.c.**

- G. For the purposes of the coverage provided by this endorsement, the following definitions are added to the **Definitions** Section:

1. "Administration" means:
 - a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
 - b. Handling records in connection with the "employee benefit program"; or
 - c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include handling payroll deductions.

2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
3. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.

4. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:
- a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
 - b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
 - c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
 - d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
 - e. Any other similar benefits designated in the Schedule or added thereto by endorsement.
- H. For the purposes of the coverage provided by this endorsement, Definitions 5. and 18. in the **Definitions** Section are replaced by the following:
- 5. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
 - 18. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:
 - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

DESIGNATED LOCATION(S) GENERAL AGGREGATE LIMIT

POLICY NUMBER: S 2416351

COMMERCIAL GENERAL LIABILITY
CG 25 04 05 09

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designated Location(s):

SUBJECT TO THE TERMS AND CONDITIONS OF THIS POLICY, EACH DESIGNATED LOCATION LISTED ON THE SCHEDULE OF LOCATIONS SHOWN ON THE DECLARATION PAGE FOR THIS POLICY.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I — Coverage A, and for all medical expenses caused by accidents under Section I — Coverage C, which can be attributed only to operations at a single designated "location" shown in the Schedule above:
1. A separate Designated Location General Aggregate Limit applies to each designated "location", and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
 2. The Designated Location General Aggregate Limit is the most we will pay for the sum of all damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under Coverage C regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
 3. Any payments made under Coverage A for damages or under Coverage C for medical expenses shall reduce the Designated Location General Aggregate Limit for that designated "location". Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Location General Aggregate Limit for any other designated "location" shown in the Schedule above.
- 4.** The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Location General Aggregate Limit.
- B.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Section I — Coverage A, and for all medical expenses caused by accidents under Section I — Coverage C, which cannot be attributed only to operations at a single designated "location" shown in the Schedule above:
1. Any payments made under Coverage A for damages or under Coverage C for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-completed Operations Aggregate Limit, whichever is applicable; and
 2. Such payments shall not reduce any Designated Location General Aggregate Limit.
- C.** When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Location General Aggregate Limit.

- D. For the purposes of this endorsement, the **Definitions** Section is amended by the addition of the following definition:

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

- E. The provisions of **SECTION III — Limits Of Insurance** not otherwise modified by this endorsement shall continue to apply as stipulated.

PRODUCT RECALL EXPENSE COVERAGE ENDORSEMENT

POLICY NUMBER: S 2416351

COMMERCIAL GENERAL LIABILITY
CG 79 35 07 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

SUB-LIMITS OF INSURANCE:

“Product Recall Expense”

Per Occurrence: \$25,000

Annual Aggregate: \$50,000

“Additional Covered Expenses”

The “Additional Covered Expenses” Per Occurrence and Annual Aggregate Limit is equal to 50% of the above “Product Recall Expense” Limit.

DEDUCTIBLE: N/A

COVERAGE IN THIS ENDORSEMENT DOES NOT APPLY TO THESE PRODUCTS:

THIS ENDORSEMENT ONLY PROVIDES REIMBURSEMENT TO YOU FOR EXPENSES INCURRED BECAUSE OF A COVERED “PRODUCT RECALL”. THIS ENDORSEMENT DOES NOT PROVIDE ANY LIABILITY COVERAGE OR COVERAGE FOR THE COST OR EXPENSE OF DEFENDING ANY CLAIM OR SUIT.

A. The following is added to **SECTION I — COVERAGES:**

SECTION I — LIMITED PRODUCT RECALL EXPENSE COVERAGE

1. Insuring Agreement

- a. We will reimburse you for “Product Recall Expense” and “Additional Covered Expenses” incurred by you because of a “product recall” to which this insurance applies.

The amount of such reimbursement is limited as described in **SECTION III — LIMITS OF INSURANCE**. No other obligation or liability to pay sums or perform acts or services is covered.

- b. This insurance applies to a “product recall” only if the “product recall” is initiated in the “coverage territory” during the policy period because:

- (1) You determine that the “product recall” is necessary; or
- (2) An authorized government entity has ordered you to conduct a “product recall”.

c. We will reimburse you for "Product Recall Expense" and "Additional Covered Expenses" only if:

- (1) These expenses are incurred within one year of the date the "product recall" was initiated;
- (2) These expenses are reported to us within one year of the date the expenses were incurred; and
- (3) The product that is the subject of the "product recall" is not listed in the **"COVERAGE IN THIS ENDORSEMENT DOES NOT APPLY TO THESE PRODUCTS"** entry in the **SCHEDULE** above.

d. The initiation of a "product recall" will be deemed to have been made only at the earliest of the following times:

- (1) When you first announced, in any manner, to the general public, your vendors or to your employees (other than those employees directly involved in making the determination) your decision to conduct or participate in a "product recall". This applies regardless of whether the determination to conduct a "product recall" is made by you or is requested by a third party; or
- (2) When you first received, either orally or in writing, notification of an order from an authorized government entity to conduct a "product recall".

e. "Product Recall Expense" or "Additional Covered Expenses" incurred to recall "your products" which contain the same or substantially similar "defects" will be deemed to have arisen out of the same "product recall".

2. Exclusions

This insurance does not apply to "Product Recall Expense" or "Additional Covered Expenses" arising out of:

a. Any "product recall" initiated due to the failure of "your product" to accomplish its intended purpose, including any breach of warranty of fitness, whether written or implied. This exclusion does not apply if such failure has caused or is reasonably expected to cause "bodily injury" or "property damage" to tangible property other than "your product".

b. Any "product recall" initiated due to copyright, patent, trade secret, trade dress, trade name or trademark infringements, or any other intellectual property laws.

c. Any "product recall" initiated due to transformation of a chemical nature, deterioration or decomposition of "your product". This exclusion does not apply if it is caused by:

- (1) An error in manufacturing, design, or processing;
- (2) Transportation of "your product"; or
- (3) "Product tampering".

d. Any "product recall" initiated due to expiration of the designated shelf life of "your product".

e. A "product recall", initiated because of a "defect" in "your product" known to exist by the Named Insured or the Named Insured's "executive officers", prior to the date when this Coverage Part was first issued to you or prior to the time "your product" leaves your control or possession.

f. A recall of any specific products for which "bodily injury" or "property damage" is excluded under **Coverage A — Bodily Injury And Property Damage Liability** by endorsement.

g. A recall when "your product" or a component contained within "your product" has been:

- (1) Banned from the market by an authorized government entity prior to the policy period; or
- (2) Distributed or sold by you subsequent to any governmental ban.

h. The defense of a claim or "suit" against you for liability arising out of a "product recall".

i. Any compensatory damages, fines, penalties, punitive or exemplary or other non-compensatory damages imposed upon the insured.

j. Any loss, cost or expense due to any:

- (1) Request, demand, order, statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

- k. Liability assumed by you in any contract or agreement.
- l. Damages or expenses arising out of the violation of any government regulation.
- m. Any unauthorized change in "your product" after it leaves your possession or control. This exclusion does not apply to a covered "product recall" due to "product tampering."
- n. Redistribution or replacement of "your product" which has been recalled by like products or substitutes.
- o. Caprice or whim of the insured.
- p. Recall of "your products" that have no known or suspected defect solely because a known or suspected defect in another of "your products" has been found.
- q. Willful, dishonest, fraudulent, criminal or malicious acts.

B. For the purposes of this endorsement, **SECTION III — LIMITS OF INSURANCE** is replaced by the following:

SECTION III — LIMITS OF INSURANCE

1. The Limits of Insurance shown in the **SCHEDULE** are Sub-Limits and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. "Product recalls" initiated; or
 - c. Number of "your products" withdrawn.
2. If there are no amounts shown in the **SCHEDULE**, these Sub-Limits will apply:
 - a. "Product Recall Expense":

Per Occurrence	\$25,000
Annual Aggregate	\$25,000
 - b. "Additional Covered Expense": The Per Occurrence and Annual Aggregate is 50% of the "Product Recall Expense" Per Occurrence and Annual Aggregate limit.
3. The most we will pay for "Product Recall Expense" during any policy period is the Annual Aggregate Sub-Limit shown on this endorsement's **SCHEDULE**.

4. The most we will pay for "Additional Covered Expenses" during any policy period is 50% of the "Product Recall Expense" Annual Aggregate Sub-Limit on this endorsement's **SCHEDULE**.

5. Deductible Provision

a. Deductible

We will only pay for the amount of "Product Recall Expense" and "Additional Covered Expenses" which are in excess of the deductible amount, if any, shown in the Schedule of this endorsement. The deductible applies separately to each "product recall". The Limits of Insurance will not be reduced by the amount of this deductible.

We may, or will if required by law, pay all or any part of any deductible amount, if applicable, to effect settlement of any claim or "suit". Upon notice of our payment of a deductible amount, you shall promptly reimburse us for the part of the deductible amount we paid.

The Limits of Insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

C. For the purposes of this endorsement, the Duties In The Event Of Occurrence, Claim Or Suit Condition under **SECTION IV — CONDITIONS** is replaced by the following:

2. Duties In The Event Of A "Defect" Or A "Product Recall"

- a. You must see to it that we are notified as soon as practicable of any actual, suspected or threatened "defect" in "your product", or any governmental investigation, that may result in a "product recall". To the extent possible, notice should include:
 - (1) How, when and where the "defect" was discovered;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature, location and circumstances of any injury or damage arising out of use or consumption of "your product".

b. If a "product recall" is initiated, you must:

- (1) Immediately record the specifics of the "product recall" and the date it was initiated; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "product recall" as soon as practicable.

c. You must promptly take all reasonable steps to mitigate the expenses associated with a "product recall". Any financial gain or salvage recovery you receive or may be entitled to receive from mitigating the expenses will be deducted from the amount of reimbursement that you will receive for "Product Recall Expense" and "Additional Covered Expenses".

d. You and any others involved insured must:

- (1) Immediately send us copies of pertinent correspondence received in connection with the "product recall";
- (2) Authorize us to obtain records and other information; and
- (3) Cooperate with us in our investigation of the "product recall".

D. For the purposes of this endorsement, the following condition is added to **SECTION IV — CONDITIONS:**

Concealment Or Fraud

We will not provide coverage under **SECTION I** of this endorsement to you, or any other insured, who at any time:

1. Engaged in fraudulent conduct; or
2. Intentionally concealed or misrepresented a material fact concerning a "product recall" or "Product Recall Expenses" or "Additional Covered Expenses" incurred by you under **SECTION I** of this endorsement.

E. The following definitions are added to **SECTION V — DEFINITIONS:**

1. "Additional Covered Expenses" includes reimbursement to the named insured for "customer consequential loss of profit expense", "cost to replace", "good faith advertising".

2. "Customer consequential loss of profit expense" means the loss of financial gain incurred by your direct customers as a consequence of the "product recall" of "your product" or the "product recall" of their product because their product incorporated "your product."

3. "Cost to replace" means the cost to produce or acquire a like replacement product, including the cost to return "your product" to the purchaser, not to exceed the cost of goods sold. This also includes the cost of unsold finished stock but only if your product cannot be repaired, reconditioned, decontaminated or made marketable.

4. "Good faith advertising" means those advertising costs you pay for the specific purpose of regaining customer approval or faith in "your product."

5. "Defect" means a defect, deficiency or inadequacy that creates a dangerous condition.

6. "Product tampering" is an act of intentional alteration of "your product" which has caused or is reasonably expected to cause "bodily injury" or physical injury to tangible property other than "your product".

When "product tampering" is known, suspected or threatened, a "product recall" will be limited to those batches of "your product" which are known or suspected to have been tampered with.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

7. "Product recall" means the recall or withdrawal:

- a. From the market; or
- b. From use by any other person or organization; of "your products", or products which contain "your products", because of known or suspected defects in "your product", or known or suspected "product tampering", which has caused or is reasonably expected to cause "bodily injury" or physical injury to tangible property other than "your product".

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

8. "Product Recall Expense" means those reasonable expenses, listed below, paid on a reimbursement basis and directly related to a "product recall":
- a. Costs of advertising;
 - b. Costs of stationery, envelopes, production of announcements and postage or facsimiles;
 - c. Costs of overtime paid to your regular non-salaried employees and costs incurred by your employees, including costs of transportation and accommodations;

- d. Costs of hiring independent contractors and other temporary employees;
- e. Costs of transportation, shipping or packaging;
- f. Costs of warehouse or storage space; or
- g. Costs of proper disposal of "your products", or products that contain "your products", that can not be reused, not exceeding your purchase price or your cost to produce the products.
- h. Inspection and testing of "your products" to determine whether or not they may be subject to a "product recall".

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

COMMERCIAL GENERAL LIABILITY
CG 00 01 04 13

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under **Section II — Who Is An Insured**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **Section V — Definitions**.

SECTION I — COVERAGES

COVERAGE A — BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in **Section III — Limits Of Insurance**; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments — Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:
 - (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of **Section II — Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of **Section II — Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of **Section II — Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

- (5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in **Section III — Limits Of Insurance**.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

q. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in **Section III — Limits Of Insurance.**

COVERAGE B — PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in **Section III — Limits Of Insurance;** and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C.**

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments — Coverages **A** and **B.**

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods — Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a., b. and c.** of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

p. Recording And Distribution Of Material Or Information In Violation Of Law

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

COVERAGE C — MEDICAL PAYMENTS**1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
- provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS — COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

f. The indemnitee:

(1) Agrees in writing to:

- (a) Cooperate with us in the investigation, settlement or defense of the "suit";
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
- (c) Notify any other insurer whose coverage is available to the indemnitee; and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

- (a) Obtain records and other information related to the "suit"; and
- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2) of Section I — Coverage A — Bodily Injury And Property Damage Liability**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II — WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a) Owned, occupied or used by;
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III — LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

- a. Medical expenses under Coverage **C**;
- b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- c. Damages under Coverage **B**.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage **A**; and
 - b. Medical expenses under Coverage **C** because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV — COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of **Section I — Coverage A — Bodily Injury And Property Damage Liability.**
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;

- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V — DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b.** While it is in or on an aircraft, watercraft or "auto"; or
 - c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1)** Power cranes, shovels, loaders, diggers or drills; or
 - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e.** Vehicles not described in Paragraph **a., b., c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2)** Cherry pickers and similar devices used to raise or lower workers;
- f.** Vehicles not described in Paragraph **a., b., c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
21. "Your product":
- a. Means:
 - (1) Any goods or products; other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
 - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

COMMERCIAL GENERAL LIABILITY
CG 01 24 01 93

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

1. The following is added to CHANGES (Common Policy Conditions):

If one of our agents knows of a fact that breaches a condition of this Coverage Part, we will be considered to have knowledge of this same fact if:

- a. The agent knows of this fact at the time the Coverage Part is issued or an application is made; or
- b. The agent later learns of this fact in the course of his dealings as an agent with you.

Any fact that breaches a condition of this Coverage Part and is known to the agent prior to loss shall not void the Coverage Part or prevent a recovery in the event of loss.

2. The LEGAL ACTION AGAINST US Condition (Section IV) does not apply.
3. The following is added to Condition 6. REPRESENTATIONS (Section IV):

No misrepresentation or breach of affirmative warranty made by you or on your behalf in the negotiation of this Coverage Part affects our obligation under this Coverage Part unless:

- a. We rely on it and it is either material or made with intent to deceive; or
- b. The facts misrepresented or falsely warranted contribute to the loss.

No failure of a condition before the loss and no breach of a promissory warranty affects our obligation under this Coverage Part unless such failure or breach:

- a. Exists at the time of the loss; and
- b. Either increases the risk at the time of the loss or contributes to the loss.

The provisions of this condition do not apply to non-payment of premium.

4. Condition 8. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (Section IV) is replaced by the following:

In the event of any payment under this Coverage Part, we will be entitled to the insured's rights of recovery against any person or organization and the insured will do whatever is necessary to secure such rights. We will be entitled to a recovery only after the insured has been fully compensated for damages.

5. CONFORMITY TO STATUTE OR RULE

Any provision of this policy (including endorsements which modify the policy) that is in conflict with a Wisconsin statute or rule is hereby amended to conform to that statute or rule.

The term rule means a valid rule promulgated by the Commissioner of Insurance in accordance with the rule-making authority conferred under Wis. Stat. Ann. Section 227.11(2) and published in the Wisconsin Administrative Code.

EXCLUSION — ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY — WITH LIMITED BODILY INJURY EXCEPTION

COMMERCIAL GENERAL LIABILITY
CG 21 06 05 14

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion 2.p. of Section I — Coverage A — Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

- p. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- B. The following is added to Paragraph 2. Exclusions of Section I — Coverage B — Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

EMPLOYMENT-RELATED PRACTICES EXCLUSION**COMMERCIAL GENERAL LIABILITY
CG 21 47 12 07**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I — Coverage A — Bodily Injury And Property Damage Liability:

This insurance does not apply to:

“Bodily injury” to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of “bodily injury” to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

B. The following exclusion is added to Paragraph 2., Exclusions of Section I — Coverage B — Personal And Advertising Injury Liability:

This insurance does not apply to:

“Personal and advertising injury” to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of “personal and advertising injury” to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

FUNGI OR BACTERIA EXCLUSIONCOMMERCIAL GENERAL LIABILITY
CG 21 67 12 04**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2. Exclusions of Section I — Coverage A — Bodily Injury And Property Damage Liability:

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

B. The following exclusion is added to Paragraph 2. Exclusions of Section I — Coverage B — Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

- a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

C. The following definition is added to the Definitions Section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

COMMERCIAL GENERAL LIABILITY
CG 21 70 01 15

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

- A.** If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.
- "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
- 1.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 - 2.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

General Liability Extension EndorsementCOMMERCIAL GENERAL LIABILITY
CG 73 00 01 19**SUMMARY OF COVERAGES (including index)**

This is a summary of the various additional coverages and coverage modifications provided by this endorsement. No coverage is provided by this summary. Refer to the actual endorsement (Pages 3-through-9) for changes affecting your insurance protection.

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Two or More Coverage Parts or Policies Issued By Us	Page 8
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General Liability Extension Endorsement

COMMERCIAL GENERAL LIABILITY
CG 73 00 01 19

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies the insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The **SECTIONS** of the Commercial General Liability Coverage Form identified in this endorsement will be amended as shown below. However, **if (a) two or more Coverage Parts of this policy, or (b) two or more forms or endorsements within the same Coverage Part apply to a loss**, coverage provision(s) with the broadest language will apply, unless specifically stated otherwise within the particular amendment covering that loss.

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

COVERAGES - Amendments

SECTION I - COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

EXCLUSIONS

Employer's Liability Amendment

(This provision is not applicable in the State of New York).

The following is added to Exclusion **e. Employer's Liability** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions**:

This exclusion also does not apply to any "temporary worker".

Non-Owned Aircraft, Auto or Watercraft

A. Paragraph **(2)** of Exclusion **g. Aircraft, Auto Or Watercraft** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** is deleted in its entirety and replaced with the following:

(2) A watercraft you do not own that is:

- (a)** Less than 26 feet long and not being used to carry persons or property for a charge; or
- (b)** At least 26 feet, but less than 60 feet long, and not being used to carry persons or property for a charge. Any person is an insured who uses or is responsible for the use of such watercraft with your expressed or implied consent. However, if the insured has any other valid and collectible insurance for "bodily injury" or "property damage" that would be covered under this provision, or on any other basis, this coverage is then excess, and subject to Condition **4. Other Insurance, b. Excess Insurance** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**.

B. The following is added to Exclusion **g. Aircraft, Auto Or Watercraft** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions**:

This exclusion does not apply to:

- (6)** Any aircraft, not owned or operated by any insured, which is hired, chartered or loaned with a paid crew. However, if the insured has any other valid and collectible insurance for "bodily injury" or "property damage" that would be covered under this provision, or on any other basis, this coverage is then excess, and subject to Condition **4. Other Insurance, b. Excess Insurance** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**.

Damage To Premises Rented to You

A. The last paragraph of Paragraph **2. Exclusions** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE** is deleted in its entirety and replaced with the following:

Exclusions **c. through n.** do not apply to damage by fire, lightning or explosion to premises rented to you or temporarily occupied by you with the permission of the owner. A separate limit of insurance applies to this coverage as described in **SECTION III - LIMITS OF INSURANCE**.

B. Paragraph 6. under **SECTION III - LIMITS OF INSURANCE** is deleted in its entirety and replaced with the following:

6. Subject to Paragraph 5. above, the most we will pay under **COVERAGE A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage caused by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner, for all such damage caused by fire, lightning or explosion proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of the three, is the amount shown in the Declarations for the Damage To Premises Rented To You Limit.

C. Paragraph a. of Definition 9. "Insured contract" under **SECTION V - DEFINITIONS** is deleted in its entirety and replaced with the following:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning or explosion to premises while rented to you or temporarily occupied by you with the permission of the owner is not an "insured contract";

Electronic Data Liability

A. Exclusion p. **Access or Disclosure Of Confidential Or Personal Information And Data-related Liability** under **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** is deleted in its entirety and replaced by the following:

p. **Access or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data" that does not result from physical injury to tangible property.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

B. The following paragraph is added to **SECTION III - LIMITS OF INSURANCE**:

Subject to 5. above, the most we will pay under **COVERAGE A** for "property damage" because of all loss of "electronic data" arising out of any one "occurrence" is a sub-limit of \$100,000.

SECTION I - COVERAGE C MEDICAL PAYMENTS EXCLUSIONS

Any Insured Amendment

Exclusion a. **Any Insured** under **COVERAGE C MEDICAL PAYMENTS, 2. Exclusions** is deleted in its entirety and replaced with the following:

a. **Any Insured**

To any insured.

This exclusion does not apply to:

- (1) "Not-for-profit members";
- (2) "Golfing facility" members who are not paid a fee, salary, or other compensation; or
- (3) "Volunteer workers".

This exclusion exception does not apply if **COVERAGE C MEDICAL PAYMENTS** is excluded by another endorsement to this Coverage Part.

Product Amendment

Exclusion f. **Products-Completed Operations Hazard** under **COVERAGE C MEDICAL PAYMENTS, 2. Exclusions** is deleted in its entirety and replaced with the following:

f. **Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

This exclusion does not apply to "your products" sold for use or consumption on your premises, while such products are still on your premises.

This exclusion exception, does not apply if **COVERAGE C MEDICAL PAYMENTS** is excluded by another endorsement to this Coverage Part.

SECTION I - SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

Expenses For Bail Bonds And Loss Of Earnings

A. Subparagraph 1.b. under **SUPPLEMENTARY PAYMENTS - COVERAGES A AND B** is deleted in its entirety and replaced with the following:

b. Up to \$5,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

B. Subparagraph 1.d. under **SUPPLEMENTARY PAYMENTS - COVERAGES A AND B** is deleted in its entirety and replaced with the following:

- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$1,000 a day because of time off from work.

SECTION II - WHO IS AN INSURED - Amendments

Not-for-Profit Organization Members

The following paragraph is added to **SECTION II - WHO IS AN INSURED**:

If you are an organization other than a partnership, joint venture, or a limited liability company, and you are a not-for-profit organization, the following are included as additional insureds:

1. Your officials;
2. Your trustees;
3. Your members;
4. Your board members;
5. Your commission members;
6. Your agency members;
7. Your insurance managers;
8. Your elective or appointed officers; and
9. Your "not-for-profit members".

However only with respect to their liability for your activities or activities they perform on your behalf.

Employees As Insureds Modified

- A. Subparagraph 2.a.(1)(a) under **SECTION II - WHO IS AN INSURED** does not apply to "bodily injury" to a "temporary worker" caused by a co-"employee" who is not a "temporary worker".
- B. Subparagraph 2.a.(2) under **SECTION II - WHO IS AN INSURED** does not apply to "property damage" to the property of a "temporary worker" or "volunteer worker" caused by a co-"employee" who is not a "temporary worker" or "volunteer worker".
- C. Subparagraph 2.a.(1)(d) under **SECTION II - WHO IS AN INSURED** does not apply to "bodily injury" caused by cardio-pulmonary resuscitation or first aid services administered by a co-"employee".

With respect to this provision only, Subparagraph (1) of Exclusion 2. e. **Employer's Liability** under **SECTION I - COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** does not apply.

Newly Formed Or Acquired Organizations

- A. Subparagraph 3.a. under **SECTION II - WHO IS AN INSURED** is deleted in its entirety and replaced with the following:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier. However, **COVERAGE A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization.

- B. The following paragraph is added to **SECTION II - WHO IS AN INSURED**, Paragraph 3:

If you are engaged in the business of construction of dwellings three stories or less in height, or other buildings three stories or less in height and less than 25,000 square feet in area, you will also be an insured with respect to "your work" only, for the period of time described above, for your liability arising out of the conduct of any partnership or joint venture of which you are or were a member, even if that partnership or joint venture is not shown as a Named Insured. However, this provision only applies if you maintain or maintained an interest of at least fifty percent in that partnership or joint venture for the period of that partnership or joint venture.

This provision does not apply to any partnership or joint venture that has been dissolved or otherwise ceased to function for more than thirty-six months.

With respect to the insurance provided by this provision, **Newly Formed or Acquired Organizations**, the following is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY**, Paragraph 4. **Other Insurance**, Subparagraph b. **Excess Insurance**:

The insurance provided by this provision, **Newly Formed or Acquired Organizations**, is excess over any other insurance available to the insured, whether primary, excess, contingent or on any other basis.

(All other provisions of this section remain unchanged)

Blanket Additional Insureds - As Required By Contract

Subject to the **Primary and Non-Contributory** provision set forth in this endorsement, **SECTION II - WHO IS AN INSURED** is amended to include as an additional insured:

A. Owners, Lessees or Contractors/Architects, Engineers and Surveyors

1. Any person or organization for whom you are performing operations when you and such person or organization have agreed in a written contract, written agreement or written permit that such person or organization be added as an additional insured on your commercial general liability policy; and

2. Any other person or organization, including any architects, engineers or surveyors not engaged by you, whom you are required to add as an additional insured under your policy in the contract or agreement in Paragraph 1. above:

Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

- a. Your acts or omissions; or
- b. The acts of omissions of those acting on your behalf;

in the performance of your ongoing operations performed for the additional insured in Paragraph 1., above.

However, this insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services by or for you, including:

- a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
- b. Supervisory, inspection, architectural or engineering activities.

Professional services do not include services within construction means, methods, techniques, sequences and procedures employed by you in connection with your operations in your capacity as a construction contractor.

A person or organization's status as an additional insured under this endorsement ends when your operations for the person or organization described in Paragraph 1. above are completed.

B. Other Additional Insureds

Any of the following persons or organizations with whom you have agreed in a written contract, written agreement or written permit that such persons or organizations be added as an additional insured on your commercial general liability policy:

1. Lessors of Leased Equipment

Any person or organization from whom you lease equipment, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

2. Managers or Lessors of Premises

Any person or organization from whom you lease premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you.

This insurance does not apply to any "occurrence" which takes place after you cease to be a tenant of that premises.

3. Mortgagees, Assignees or Receivers

Any person or organization with respect to their liability as mortgagee, assignee or receiver and arising out of the ownership, maintenance or use of your premises.

This insurance does not apply to any "occurrence" which takes place after the mortgage is satisfied, or the assignment or receivership ends.

4. Any Person or Organization Other Than A Joint Venture

Any person or organization (other than a joint venture of which you are a member), but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts of omissions of those acting on your behalf in the performance of your ongoing operations or in connection with property owned by you.

5. State or Governmental Agency or Political Subdivision - Permits or Authorizations

Any state or governmental agency or subdivision or political subdivision, but only with respect to:

- a. Operations performed by you or on your behalf for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization; or
- b. The following hazards for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization in connection with premises you own, rent or control and to which this insurance applies:

- (1) The existence, maintenance, repair, construction, erection or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners or decorations and similar exposures;
- (2) The construction, erection or removal of elevators; or
- (3) The ownership, maintenance or use of any elevators covered by this insurance.

This insurance does not apply to:

- (a) "Bodily injury" or "property damage" arising out of operations performed for the federal government, state or municipality; or
- (b) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

With respect to Paragraphs 2. through 4., this insurance does not apply to structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

The provisions of this coverage extension do not apply unless the written contract or written agreement has been signed by the Named Insured or written permit issued prior to the "bodily injury" or "property damage" or "personal and advertising injury".

Broad Form Vendors Coverage

Subject to the **Primary and Non-Contributory** provision set forth in this endorsement, **SECTION II - WHO IS AN INSURED** is amended to include as an additional insured any person or organization (referred to below as vendor) for whom you have agreed in a written contract or written agreement to provide coverage as an additional insured under your policy. Such person or organization is an additional insured only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business. However, the insurance afforded the vendor does not apply to:

- a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement; however this exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- b. Any express warranty unauthorized by you;

- c. Any physical or chemical change in the product made intentionally by the vendor;
- d. Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business in connection with the sale of the product; or
- f. Products which, after distribution or sale by you, have been labeled or re-labeled or used as a container, part of ingredient of any other thing or substance by or for the vendor; however this insurance does not apply to any insured person or organization, from who you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

The provisions of this coverage extension do not apply unless the written contract or written agreement has been signed by the Named Insured prior to the "bodily injury" or "property damage".

Incidental Malpractice

Subparagraph **2.a.(1)(d)** under **SECTION II - WHO IS AN INSURED** is deleted in its entirety and replaced with the following:

- (d) Arising out of his or her providing or failing to provide professional health care services.

This does not apply to nurses, emergency medical technicians or paramedics if you are not in the business or occupation of providing any such professional services.

This also does not apply to "bodily injury" caused by cardio-pulmonary resuscitation or first aid services administered by a co-"employee".

This provision does not apply if you are a Social Service or Senior Living risk.

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS - Amendments

Knowledge Of Occurrence, Claim, Suit Or Loss

The following is added to Paragraph 2. **Duties in the Event of Occurrence, Offense, Claim or Suit** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**:

The requirements under this paragraph do not apply until after the "occurrence" or offense is known to:

- 1. You, if you are an individual;
- 2. A partner, if you are a partnership;

3. An "executive officer" or insurance manager, if you are a corporation;
4. Your members, managers or insurance manager, if you are a limited liability company; or
5. Your elected or appointed officials, officers, members, trustees, board members, commission members, agency members, or your administrator or your insurance manager if you are an organization other than a partnership, joint venture, or limited liability company.

Primary and Non-Contributory Provision

The following is added to Paragraph 4. **Other Insurance, b. Excess Insurance** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS:**

This insurance is primary to and we will not seek contribution from any other insurance available to an additional insured under this policy provided that:

- (1) The additional insured is a Named Insured under such other insurance; and
- (2) You have agreed in a written contract, written agreement or written permit that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

Unintentional Failure To Disclose Hazards

The following is added to Paragraph 6. **Representations** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS:**

However, if you should unintentionally fail to disclose any existing hazards in your representations to us at the inception date of the policy, or during the policy period in connection with any additional hazards, we shall not deny coverage under this Coverage Part based upon such failure to disclose hazards.

Waiver Of Transfer Of Rights Of Recovery

The following is added to Paragraph 8. **Transfer of Rights Of Recovery Against Others To Us** under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS:**

We will waive any right of recovery we may have against a person or organization because of payments we make for "bodily injury" or "property damage" arising out of your ongoing operations or "your work" done under a written contract or written agreement and included in the "products-completed operations hazard", if:

1. You have agreed to waive any right of recovery against that person or organization in a written contract or written agreement;
2. Such person or organization is an additional insured on your policy; or

3. You have assumed the liability of that person or organization in that same contract, and it is an "insured contract".

The section above only applies to that person or organization identified above, and only if the "bodily injury" or "property damage" occurs subsequent to the execution of the written contract or written agreement.

Liberalization

The following condition is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS:**

If we revise this Coverage Part to provide more coverage without additional premium charge, subject to our filed company rules, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

Two or More Coverage Parts or Policies Issued By Us

(This provision is not Applicable in the state of New York or Wisconsin).

The following condition is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS:**

It is our intention that the various coverage parts or policies issued to you by us, or any company affiliated with us, do not provide any duplication or overlap of coverage. We have exercised diligence to draft our coverage parts and policies to reflect this intention. However, if the facts and circumstances that will respond to any claim or "suit" give rise to actual or claimed duplication or overlap of coverage between the various coverage parts or policies issued to you by us or any company affiliated with us, the limit of insurance under all such coverage parts or policies combined shall not exceed the highest applicable limit under this coverage, or any one of the other coverage forms or policies.

This condition does not apply to any Excess or Umbrella policy issued by us specifically to apply as excess insurance over this coverage part or policy to which this coverage part is attached.

SECTION V - DEFINITIONS

Discrimination

(This provision does not apply in New York).

- A. The following is added to Definition 14. "Personal and advertising injury":

"Personal and advertising injury" also means "discrimination" that results in injury to the feelings or reputation of a natural person, however only if such "discrimination" or humiliation is:

1. Not done by or at the direction of:
 - a. The insured; or

b. Anyone considered an insured under **SECTION II - WHO IS AN INSURED;**

2. Not done intentionally to cause harm to another person.
3. Not directly or indirectly related to the employment, prospective employment or termination of employment of any person or persons by any insured.
4. Not arising out of any "advertisement" by the insured.

B. The following definition is added to **SECTION V - DEFINITIONS:**

"Discrimination" means:

- a. Any act or conduct that would be considered discrimination under any applicable federal, state, or local statute, ordinance or law;
- b. Any act or conduct that results in disparate treatment of, or has disparate impact on, a person, because of that person's race, religion, gender, sexual orientation, age, disability or physical impairment; or
- c. Any act or conduct characterized or interpreted as discrimination by a person based on that person's race, religion, gender, sexual orientation, age, disability or physical impairment.

It does not include acts or conduct characterized or interpreted as sexual intimidation or sexual harassment, or intimidation or harassment based on a person's gender.

Electronic Data

The following definition is added to **SECTION V - DEFINITIONS:**

"Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cell, data processing devices or any other media which are used with electronically controlled equipment. For the purpose of the Electronic Data Liability coverage provided by this endorsement, Definition 17. "Property damage" is deleted in its entirety and replaced by the following:

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

- b. Loss of, loss of use of, damage to, corruption of, inability to access, or inability to properly manipulate "electronic data", resulting from physical injury to tangible property. All such loss of "electronic data" shall be deemed to occur at the time of the "occurrence" that caused it.

For the purpose of the Electronic Data Liability coverage provided by this endorsement, "electronic data" is not tangible property.

Employee Amendment

Definition 5. "Employee" under **SECTION V - DEFINITIONS** is deleted in its entirety and replaced by the following:

5. "Employee" includes a "leased worker", or a "temporary worker". If you are a School, "Employee" also includes a student teacher.

Golfing Facility

The following definition is added to **SECTION V - DEFINITIONS:**

"Golfing facility" means a golf course, golf club, driving range, or miniature golf course.

Mental Anguish Amendment

(This provision does not apply in New York).

Definition 3. "Bodily injury" under **SECTION V - DEFINITIONS** is deleted in its entirety and replaced with the following:

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time. This includes mental anguish resulting from any bodily injury, sickness or disease sustained by a person. (In New York, mental anguish has been determined to be "bodily injury").

Not-for-profit Member

The following definition is added to **SECTION V - DEFINITIONS:**

"Not-for-profit member" means a person who is a member of a not-for-profit organization, including clubs and churches, who receives no financial or other compensation.

DATA COMPROMISE COVERAGE

RESPONSE EXPENSES AND DEFENSE AND LIABILITY

COMMERCIAL GENERAL LIABILITY
CG 79 95 04 18

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Coverage under this endorsement is subject to the following:

SCHEDULE

SECTION I — RESPONSE EXPENSES

Data Compromise

Response Expenses Limit: \$ 50,000
Annual Aggregate

Sublimits

Named Malware (SECTION I) \$ 50,000
Forensic IT Review: \$ 25,000
Legal Review: \$ 25,000
PR Services: \$ 5,000
Regulatory Fines and Penalties: \$ 25,000
PCI Fines and Penalties: \$ 25,000

Any one "Personal Data Compromise"

Response Expenses Deductible: \$ 1,000
Any one "Personal Data Compromise"

SECTION II — DEFENSE AND LIABILITY

Data Compromise

Defense and Liability Limit: \$ 50,000
Annual aggregate

Sublimits

Named Malware (SECTION II) \$ 50,000
Any one "Personal Data Compromise"

Defense and Liability Deductible: \$ 1,000
Each "Data Compromise Suit"

The limits and deductibles applicable to this Data Compromise Coverage endorsement are separate from and not included in the Commercial General Liability limits and deductibles shown on the policy Declarations.

SECTION I — RESPONSE EXPENSES

DATA COMPROMISE COVERED CAUSE OF LOSS

Coverage under this Data Compromise Coverage endorsement applies only if all of the following conditions are met:

1. There has been a "personal data compromise"; and
2. Such "personal data compromise" is first discovered by you during the policy period for which this Data Compromise Coverage endorsement is applicable; and
3. Such "personal data compromise" is reported to us within 60 days after the date it is first discovered by you.

COVERAGE — SECTION I — RESPONSE EXPENSES

If the three conditions listed above in **DATA COMPROMISE - COVERED CAUSE OF LOSS** have been met, then we will provide coverage for the following expenses when they arise directly from the covered cause of loss and are necessary and reasonable. Coverages 4. and 5. apply only if there has been a notification of the "personal data compromise" to "affected individuals" as covered under Coverage 3.

1. Forensic IT Review

Professional information technologies review if needed to determine, within the constraints of what is possible and reasonable, the nature and extent of the "personal data compromise" and the number and identities of the "affected individuals".

This does not include costs to analyze, research or determine any of the following:

- a. Vulnerabilities in systems, procedures or physical security;
- b. Compliance with PCI or other industry security standards; or
- c. The nature or extent of loss or damage to data that is not "personally identifying information" or "personally sensitive information".

If there is reasonable cause to suspect that a covered "personal data compromise" may have occurred, we will pay for costs covered under Forensic IT Review, even if it is eventually determined that there was no covered "personal data compromise". However, once it is determined that there was no covered "personal data compromise", we will not pay for any further costs.

2. Legal Review

Professional legal counsel review of the "personal data compromise" and how you should best respond to it.

If there is reasonable cause to suspect that a covered "personal data compromise" may have occurred, we will pay for costs covered under Legal Review, even if it is eventually determined that there was no covered "personal data compromise". However, once it is determined that there was no covered "personal data compromise", we will not pay for any further costs.

3. Notification to Affected Individuals

We will pay your necessary and reasonable costs to provide notification of the "personal data compromise" to "affected individuals".

4. Services to Affected Individuals

We will pay your necessary and reasonable costs to provide the following services to "affected individuals".

- a. The following services apply to any "personal data compromise".

(1) Informational Materials

A packet of loss prevention and customer support information.

(2) Help Line

A toll-free telephone line for "affected individuals" with questions about the "personal data compromise". Where applicable, the line can also be used to request additional services as listed in **b.(1)** and **b.(2)**.

- b. The following additional services apply to "personal data compromise" events involving "personally identifying information".

(1) Credit Report and Monitoring

A credit report and an electronic service automatically monitoring for activities affecting an individual's credit records. This service is subject to the "affected individual" enrolling for this service with the designated service provider.

(2) Identity Restoration Case Management

As respects any "affected individual" who is or appears to be a victim of "identity theft" that may reasonably have arisen from the "personal data compromise", the services of an identity restoration professional who will assist that "affected individual" through the process of correcting credit and other records and, within the constraints of what is possible and reasonable, restoring control over his or her personal identity.

5. PR Services

Professional public relations firm review of and response to the potential impact of the "personal data compromise" on your business relationships.

This includes costs to implement public relations recommendations of such firm. This may include advertising and special promotions designed to retain your relationship with "affected individuals". However, we will not pay for promotions:

- a. Provided to any of your directors or employees; or
- b. Costing more than \$25 per "affected individual".

6. Regulatory Fines and Penalties

Any fine or penalty imposed, to the extent such fine or penalty is legally insurable under the law of the applicable jurisdiction.

7. PCI Fines and Penalties

Any Payment Card Industry fine or penalty imposed under a contract to which you are a party. PCI Fines and Penalties do not include any increased transaction costs.

LIMITS — SECTION I

The most we will pay under this Response Expenses coverage is the Data Compromise Response Expenses Limit indicated for this endorsement.

The Data Compromise Response Expenses Limit is an annual aggregate limit. This amount is the most we will pay for the total of all loss covered under **SECTION I** arising out of all "personal data compromise" events which are first discovered by you during the present annual policy period. This limit applies regardless of the number of "personal data compromise" events discovered by you during that period.

A "personal data compromise" may be first discovered by you in one policy period but cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such "personal data compromise" will be subject to the Data Compromise Response Expenses Limit applicable to the policy period when the "personal data compromise" was first discovered by you.

The most we will pay under Response Expenses coverage for loss arising from any "malware-related compromise" is the Named Malware (**SECTION I**) sublimit indicated for this endorsement. For the purpose of the Named Malware (**SECTION I**) sublimit, all "malware-related compromises" that are caused, enabled or abetted by the same virus or other malicious code are considered to be a single "personal data compromise". This sublimit is part of and not in addition to the Data Compromise Response Expenses Limit.

The most we will pay under Forensic IT Review, Legal Review, PR Services coverages, Regulatory Fines and Penalties and PCI Fines and Penalties for loss arising from any one "personal data compromise" is the applicable sublimit for each of those coverages indicated for this endorsement. These sublimits are part of, and not in addition to, the Data Compromise Response Expenses Limit. PR Services coverage is also subject to a limit per "affected individual" as described in Paragraph **5. PR Services**.

Coverage for Services to "affected individuals" is limited to costs to provide such services for a period of up to one year from the date of the notification to the "affected individuals". Notwithstanding, coverage for Identity Restoration Case Management services initiated within such one year period may continue for a period of up to one year from the date such Identity Restoration Case Management services are initiated.

DEDUCTIBLE — SECTION I

Response Expenses coverage is subject to the Response Expenses Deductible indicated for this endorsement. You shall be responsible for such deductible amount as respects each "personal data compromise" covered under this endorsement.

SECTION II — DEFENSE AND LIABILITY

DEFENSE AND LIABILITY COVERED CAUSE OF LOSS

Coverage under this Data Compromise Coverage endorsement applies only if all three of the conditions in **DATA COMPROMISE COVERED CAUSE OF LOSS** are met.

Only with regard to **SECTION II — DEFENSE AND LIABILITY** coverage, the following conditions must also be met:

1. You have provided notifications and services to "affected individuals" in consultation with us pursuant to Response Expenses coverage; and
2. You receive notice of a "data compromise suit" brought by one or more "affected individuals" or by a governmental entity on behalf of one or more "affected individuals"; and
3. Notice of such "data compromise suit" is received by you within two years of the date that the "affected individuals" are notified of the "personal data compromise"; and
4. Such "data compromise suit" is reported to us as soon as practicable, but in no event more than 60 days after the date it is first received by you.

COVERAGE — SECTION II

If all of the conditions listed above in **DEFENSE AND LIABILITY COVERED CAUSE OF LOSS** have been met, then we will provide coverage for "data compromise defense costs" and "data compromise liability" directly arising from the covered cause of loss.

LIMITS — SECTION II

The most we will pay under Defense and Liability coverage (other than post-judgment interest) is the Data Compromise Defense and Liability Limit indicated for this endorsement. If no limit is shown or is shown as Excluded on the Data Compromise Schedule shown in the endorsement, then the Data Compromise Defense and Liability coverage will be considered to have a limit of \$0.

The Data Compromise Defense and Liability Limit is an annual aggregate limit. This amount is the most we will pay for all loss covered under **SECTION II** (other than post-judgment interest) arising out of all "personal data compromise" events which are first discovered by you during the present annual policy period. This limit applies regardless of the number of "personal data compromise" events discovered by you during that period.

A "personal data compromise" may be first discovered by you in one policy period but cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such "personal data compromise" (other than post-judgment interest) will be subject to the Data Compromise Defense and Liability Limit applicable to the policy period when the "personal data compromise" was first discovered by you.

The most we will pay under Defense and Liability coverage for loss arising from any "malware-related compromise" is the Named Malware (**SECTION II**) sublimit indicated for this endorsement. For the purpose of the Named Malware (**SECTION II**) sublimit, all "malware-related compromises" that are caused, enabled or abetted by the same virus or other malicious code are considered to be a single "personal data compromise". This sublimit is part of, and not in addition to, the Defense and Liability Limit. If no sublimit is shown or is shown as Excluded on the Data Compromise Schedule shown in the endorsement, then the Named Malware (**SECTION II**) coverage will be considered to have a sublimit of \$0.

DEDUCTIBLE — SECTION II

Defense and Liability coverage is subject to the Defense and Liability Deductible indicated for this endorsement. You shall be responsible for such deductible amount as respects each "data compromise suit" covered under this endorsement.

EXCLUSIONS, ADDITIONAL CONDITIONS AND DEFINITIONS APPLICABLE TO BOTH SECTION I AND SECTION II

EXCLUSIONS

The following Additional Exclusions apply to all coverages under this endorsement:

We will not pay for costs arising from the following:

1. Your intentional or willful complicity in a "personal data compromise".
2. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you.
3. Any "personal data compromise" occurring prior to the first inception of this Data Compromise Coverage endorsement or any coverage substantially similar to that described in this endorsement.
4. Costs to research or correct any deficiency. This includes, but is not limited to, any deficiency in your systems, procedures or physical security that may have contributed to a "personal data compromise".
5. Any criminal investigations or proceedings.
6. Any extortion or blackmail. This includes, but is not limited to, ransom payments and private security assistance.
7. Your reckless disregard for the security of "personally identifying information" or "personally sensitive information" in your care, custody or control.

8. That part of any "data compromise suit" seeking any non-monetary relief.
9. Any fines or penalties other than those explicitly covered under **SECTION I — Response Expenses**.

ADDITIONAL CONDITIONS

The following Additional Conditions apply to all coverages under this endorsement.

A. Data Compromise Liability Defense

1. We shall have the right and the duty to assume the defense of any applicable "data compromise suit" against you. You shall give us such information and cooperation as we may reasonably require.
2. You shall not admit liability for or settle any "data compromise suit" or incur any defense costs without our prior written consent.
3. If you refuse to consent to any settlement recommended by us and acceptable to the claimant, we may then withdraw from your defense by tendering control of the defense to you. From that point forward, you shall, at your own expense, negotiate or defend such "data compromise suit" independently of us. Our liability shall not exceed the amount for which the claim or suit could have been settled if such recommendation was consented to, plus defense costs incurred by us, and defense costs incurred by you with our written consent, prior to the date of such refusal.
4. We shall not be obligated to pay any damages or defense costs, or to defend or continue to defend any "data compromise suit", after the Data Compromise Defense and Liability Limit has been exhausted.
5. We shall pay all interest on that amount of any judgment within the Data Compromise Defense and Liability Limit which accrues:
 - a. After entry of judgment; and
 - b. Before we pay, offer to pay or deposit in court that part of the judgment within the Data Compromise Defense and Liability Limit or, in any case, before we pay or offer to pay the entire Data Compromise Defense and Liability Limit.

These interest payments shall be in addition to and not part of the Data Compromise Defense and Liability Limit.

B. Duties in the Event of a "Data Compromise Suit"

1. If a "data compromise suit" is brought against you, you must:
 - a. Immediately record the specifics of the "data compromise suit" and the date received;
 - b. Provide us with written notice, as soon as practicable, but in no event more than 60 days after the date the "data compromise suit" is first received by you;
 - c. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "data compromise suit";
 - d. Authorize us to obtain records and other information;
 - e. Cooperate with us in the investigation, settlement or defense of the "data compromise suit";
 - f. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of loss to which this insurance may also apply; and
 - g. Not take any action, or fail to take any required action, that prejudices your rights or our rights with respect to such "data compromise suit".
2. You may not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our prior written consent.
3. If you become aware of a claim or complaint that may become a "data compromise suit" or complaint.

C. Due Diligence

You agree to use due diligence to prevent and mitigate costs covered under this endorsement. This includes, but is not limited to, complying with, and requiring your vendors to comply with, reasonable and industry-accepted protocols for:

1. Providing and maintaining appropriate physical security for your premises, computer systems and hard copy files;
2. Providing and maintaining appropriate computer and Internet security;
3. Maintaining and updating at appropriate intervals backups of computer data;
4. Protecting transactions, such as processing credit card, debit card and check payments; and

5. Appropriate disposal of files containing "personally identifying information" or "personally sensitive information", including shredding hard copy files and destroying physical media used to store electronic data.

D. Legal Advice

We are not your legal advisor. Our determination of what is or is not covered under this Data Compromise Coverage endorsement does not represent advice or counsel from us about what you should or should not do.

E. Pre-Notification Consultation

You agree to consult with us prior to the issuance of notification to "affected individuals". We assume no responsibility under this Data Compromise Coverage for any services promised to "affected individuals" without our prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under Additional Condition **F. Service Providers**. You must provide the following at our pre-notification consultation with you:

1. The exact list of "affected individuals" to be notified, including contact information.
2. Information about the "personal data compromise" that may appropriately be communicated with "affected individuals".
3. The scope of services that you desire for the "affected individuals". For example, coverage may be structured to provide fewer services in order to make those services available to more "affected individuals" without exceeding the available Data Compromise Response Expenses Limit.

F. Service Providers

1. We will only pay under this Data Compromise Coverage for services that are provided by service providers approved by us. You must obtain our prior approval for any service provider whose expenses you want covered under this Data Compromise Coverage. We will not unreasonably withhold such approval.
2. Prior to the Pre-Notification Consultation described in Additional Condition **E.** above, you must come to agreement with us regarding the service provider(s) to be used for the Notification to Affected Individuals and Services to Affected Individuals. We will suggest a service provider. If you prefer to use an alternate service provider, our coverage is subject to the following limitations:

- a. Such alternate service provider must be approved by us;
- b. Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had suggested; and
- c. Our payment for services provided by any alternate service provider will not exceed the amount that we would have paid using the service provider we had suggested.

G. Services

The following conditions apply as respects any services provided to you or any "affected individual" by us, our designees or any service firm paid for in whole or in part under this Data Compromise coverage:

- 1. The effectiveness of such services depends on your cooperation and assistance.
- 2. All services may not be available or applicable to all individuals. For example, "affected individuals" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
- 3. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.
- 4. You will have a direct relationship with the professional service firms paid for in whole or in part under this coverage. Those firms work for you.

DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

- 1. "Affected Individual" means any person who is your current, former or prospective customer, client, member, owner, director or employee and whose "personally identifying information" or "personally sensitive information" is lost, stolen, accidentally released or accidentally published by a "personal data compromise" covered under this endorsement. This definition is subject to the following provisions:
 - a. "Affected individual" does not include any business or organization. Only an individual person may be an "affected individual".

- b. An "affected individual" must have a direct relationship with your interests as insured under this coverage. The following are examples of individuals who would not meet this requirement:

- (1) If you aggregate or sell information about individuals as part of your business, the individuals about whom you keep such information do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.
- (2) If you store, process, transmit or transport records, the individuals whose "personally identifying information" or "personally sensitive information" you are storing, processing, transmitting or transporting for another entity do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.
- (3) You may have operations, interests or properties that are not insured under this coverage. Individuals who have a relationship with you through such other operations, interests or properties do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of the operation insured under this coverage.

- c. An "affected individual" may reside anywhere in the world.

- 2. "Data Compromise Defense Costs" means expenses resulting solely from the investigation, defense and appeal of any "data compromise suit" against you. Such expenses must be reasonable and necessary. They will be incurred by us. They do not include your salaries or your loss of earnings. They do include premiums for any appeal bond, attachment bond or similar bond, but without any obligation to apply for or furnish any such bond.

- 3. "Data Compromise Liability"

- a. "Data compromise liability" means the following, when they arise from a "data compromise suit":

- (1) Damages, judgments or settlements to "affected individuals";

- (2) Defense costs added to that part of any judgment paid by us, when such defense costs are awarded by law or court order; and
 - (3) Pre-judgment interest on that part of any judgment paid by us.
- b. "Data compromise liability" does not mean:
- (1) Damages, judgments or settlements to anyone who is not an "affected individual";
 - (2) Civil or criminal fines or penalties imposed by law, except for civil fines and penalties expressly covered under **SECTION 1 — Response Expenses**;
 - (3) Punitive or exemplary damages;
 - (4) The multiplied portion of multiplied damages;
 - (5) Taxes; or
 - (6) Matters which may be deemed uninsurable under the applicable law.
- c. With respect to fines and penalties, the law of the jurisdiction most favorable to the insurability of those fines, or penalties will control for the purpose of resolving any dispute between us and you regarding whether the fines, or penalties specified in this definition above are insurable under this Data Compromise Coverage, provided that such jurisdiction:
- (1) Is where those fines, or penalties were awarded or imposed;
 - (2) Is where any "personal data compromise" took place for which such fines, or penalties were awarded or imposed;
 - (3) Is where you are incorporated or you have your principal place of business; or
 - (4) Is where we are incorporated or have our principal place of business.
4. "Data Compromise Suit"
- a. "Data Compromise Suit" means a civil proceeding in which damages to one or more "affected individuals" arising from a "personal data compromise" or the violation of a governmental statute or regulation are alleged. Such proceeding must be brought in the United States of America, Puerto Rico or Canada. "Data compromise suit" includes:
- (1) An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent;
 - (2) Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent; or
 - (3) A written demand for money, when such demand could reasonably result in a civil proceeding as described in this definition.
- b. "Data compromise suit" does not mean any demand or action brought by or on behalf of someone who is:
- (1) Your director or officer;
 - (2) Your owner or part-owner; or
 - (3) A holder of your securities;
- in their capacity as such, whether directly, derivatively, or by class action. "Data compromise suit" will include proceedings brought by such individuals in their capacity as "affected individuals", but only to the extent that the damages claimed are the same as would apply to any other "affected individual".
- c. "Data compromise suit" does not mean any demand or action brought by or on behalf of an organization, business, institution, governmental entity or any other party that is not an "affected individual" or governmental entity.
5. "Identity Theft" means the fraudulent use of "personally identifying information". This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts or commit crimes.
- "Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.
6. "Malware-Related Compromise" means a "personal data compromise" that is caused, enabled or abetted by a virus or other malicious code that, at the time of the "personal data compromise", is named and recognized by the CERT® Coordination Center, McAfee®, Secunia, Symantec or other comparable third party monitors of malicious code activity.
7. "Personal Data Compromise" means the loss, theft, accidental release or accidental publication of "personally identifying information" or "personally sensitive information" as respects one or more "affected individuals". If the loss, theft, accidental release or accidental publication involves "personally identifying information", such loss, theft, accidental release or accidental publication must result in or have the reasonable possibility of resulting in the fraudulent use of such information. This definition is subject to the following provisions:

- a. At the time of the loss, theft, accidental release or accidental publication, the "personally identifying information" or "personally sensitive information" need not be at the insured premises but must be in the direct care, custody or control of:
- (1) You; or
 - (2) A professional entity with which you have a direct relationship and to which you (or an "affected individual" at your direction) have turned over (directly or via a professional transmission or transportation provider) such information for storage, processing, transmission or transportation of such information.
- b. "Personal data compromise" includes disposal or abandonment of "personally identifying information" or "personally sensitive information" without appropriate safeguards such as shredding or destruction, subject to the following provisions:
- (1) The failure to use appropriate safeguards must be accidental and not reckless or deliberate; and
 - (2) Such disposal or abandonment must take place during the time period for which this Data Compromise Coverage endorsement is effective.
- c. "Personal data compromise" includes situations where there is a reasonable cause to suspect that such "personally identifying information" or "personally sensitive information" has been lost, stolen, accidentally released or accidentally published, even if there is no firm proof.
- d. All incidents of "personal data compromise" that are discovered at the same time or arise from the same cause will be considered one "personal data compromise".
8. "Personally Identifying Information" means information, including health information, that could be used to commit fraud or other illegal activity involving the credit, access to health care or identity of an "affected individual". This includes, but is not limited to, Social Security numbers or account numbers.
- "Personally identifying information" does not mean or include information that is otherwise available to the public, such as names and addresses.
9. "Personally Sensitive Information" means private information specific to an individual the release of which requires notification of "affected individuals" under any applicable law.
- "Personally sensitive information" does not mean or include "personally identifying information".

All other provisions of this policy apply.

GENERAL AGGREGATE LIMIT PER PROJECT

COMMERCIAL GENERAL LIABILITY
CG 79 97 11 16

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The General Aggregate Limit under **SECTION III — Limits Of Insurance** applies separately to each of your projects away from premises owned by or rented to you.

S 2416351

BUSINESS AUTOMOBILE COVERAGE DECLARATION

Policy Effective Date: DECEMBER 14, 2019

Coverage Effective Date: DECEMBER 14, 2019

Business of Named Insured: MANUFACTURER OF CONCRETE/

Item Two - SCHEDULE OF COVERAGES AND COVERED AUTOS. This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos." "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the COVERED AUTO Section of the Business Auto Coverage Form next to the name of the coverage.

Coverage Schedule

Coverages	Covered Autos Symbols	Limit The Most We Will Pay For Any One Accident or Loss	Premium
Liability	8, 9	\$1,000,000 CSL	\$211.00
Personal Injury Protection (or First Party Benefits)		Separately stated in each P.I.P. Endorsement.	
Added Personal Injury Protection (or Added First Party Benefits)		Separately stated in each P.I.P. Added Endorsement	
Auto Medical Payments			
Uninsured Motorists			
Underinsured Motorists			
Physical Damage Comprehensive Coverage		Actual Cash Value or Cost of Repair, whichever is less minus any applicable deductible shown on the Auto Schedule for Each Covered Auto for all Loss except Fire or Lightning.	
Physical Damage Specified Causes of Loss Coverage		Actual Cash Value or Cost of Repair, whichever is less minus \$25 deductible for Each Covered Auto for Loss caused by Mischief or Vandalism.	
Physical Damage Collision Coverage		Actual Cash Value or Cost of Repair, whichever is less minus the applicable deductible shown on the Auto Schedule for Each Covered Auto.	
Physical Damage Towing and Labor Coverage		for Each Disablement of a Private Passenger Auto.	
Hired Auto and Non-Owned Auto Coverage			INCL.

Auto Schedule

No.	Trade Name	Year	Body Type Truck Size	Vehicle Id. No. (VIN)	Size Class	Use / Class /Radius Code	List Symbol	Purchased by Insured		Cost		
								Year	N/U			
No.	Terr.	Liability Insurance Premium	P.I.P. or F.P.B.	Add. P.I.P. or F.P.B..	Med. Paymts. Prem.		Physical Damage Insurance				Towing Prem.	
							Comprehensive		Specified Causes of Loss	Collision		
							Ded.	Prem.		Ded.	Prem.	
Totals \$												

Items Three – Schedule of Covered Autos You Own (see Auto Schedule) – Loss Payees Subject to Loss Payable Clause:

Vehicle No.	Name and Address of Loss Payee
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Forms and Endorsements:

Refer to "Commercial Policy Forms and Endorsement Schedule"

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Total Premium

\$216.³⁴00

(This premium may be subject to adjustment.)

BUSINESS AUTOMOBILE COVERAGE DECLARATION (Continued)

Policy Effective Date: DECEMBER 14, 2019		Coverage Effective Date: DECEMBER 14, 2019		
Item Four – Schedules of Hired or Borrowed Covered Auto Coverage and Premiums. Liability Insurance – Rating Basis, Cost of Hire				
State	Estimated Cost of Hire for Each State	Rate per Each \$100 Cost of Hire	Minimum Premium	P r e m i u m
WISCONSIN	IF ANY	.893	\$85.00	\$85.00
			Total Premium	\$85.00

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners, employees or their family members). Cost of hire does not include charges for service performed by motor carriers of property or passengers.

Physical Damage Coverage

Coverages	Limit of Insurance	Estimated Annual Cost of Hire	Rate per Each \$100 Annual Cost of Hire	P r e m i u m
Comprehensive	Actual Cash Value, Cost of Repairs or Whichever is Less Minus Ded. for Each Covered Auto For all Loss Except Fire or Lightning.			
Specified Causes of Loss	Actual Cash Value, Cost of Repairs or Whichever is Less Minus \$25 Ded. for Each Covered Auto For all Loss caused by Mischief or Vandalism			
Collision	Actual Cash Value, Cost of Repairs or Whichever is Less Minus Ded. for Each Covered Auto			
Total Premium				

PHYSICAL DAMAGE INSURANCE applies on a direct primary basis and for purposes of the condition entitled OTHER INSURANCE, any covered "auto" you hire or borrow is deemed to be a covered "auto" you own.

Item Five – Schedule for Non-Ownership Liability

Named Insured's Business	Rating Basis	Number	P r e m i u m
Other than a Social Service Agency	Number of Employees	25	\$126.00
	Number of Partners		
Social Service Agency	Number of Employees		
	Number of Volunteers		
Total Premium			\$126.00

Item Six – Schedule for Gross Receipts or Mileage Basis – Liability Insurance – Public Auto or Leasing Rental Concerns -

Estimated Yearly	R a t e s		P r e m i u m s	
	Liability Insurance	Auto Medical Payments	Liability Insurance	Auto Medical Payments
Total Premiums				

BUSINESS AUTO COVERAGE FORMCOMMERCIAL AUTO
CA 00 01 10 13

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V — Definitions.

SECTION I — COVERED AUTOS

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

A. Description Of Covered Auto Designation Symbols

Symbol	Description Of Covered Auto Designation Symbols	
1	Any "Auto"	
2	Owned "Autos" Only	Only those "autos" you own (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.
3	Owned Private Passenger "Autos" Only	Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
4	Owned "Autos" Other Than Private Passenger "Autos" Only	Only those "autos" you own that are not of the private passenger type (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
5	Owned "Autos" Subject To No-fault	Only those "autos" you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.
6	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law	Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
7	Specifically Described "Autos"	Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to any power unit described in Item Three).
8	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Non-owned "Autos" Only	Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs.

19	Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only	Only those "autos" that are land vehicles and that would qualify under the definition of "mobile equipment" under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.
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B. Owned Autos You Acquire After The Policy Begins

1. If Symbols **1, 2, 3, 4, 5, 6** or **19** are entered next to a coverage in Item Two of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if Symbol **7** is entered next to a coverage in Item Two of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
 - a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
 - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos

If Covered Autos Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Covered Autos Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. "Mobile equipment" while being carried or towed by a covered "auto".
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. "Loss"; or
 - e. Destruction.

SECTION II — COVERED AUTOS LIABILITY COVERAGE

A. Coverage

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Covered Autos Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

1. Who Is An Insured

The following are "insureds":

- a. You for any covered "auto".
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:

- (1) The owner or anyone else from whom you hire or borrow a covered "auto".

This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.

- (2) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.
- (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
- (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company) or a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".
- (5) A partner (if you are a partnership) or a member (if you are a limited liability company) for a covered "auto" owned by him or her or a member of his or her household.

- c. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

2. Coverage Extensions

a. Supplementary Payments

We will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All court costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

b. Out-of-state Coverage Extensions

While a covered "auto" is away from the state where it is licensed, we will:

- (1) Increase the Limit of Insurance for Covered Autos Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. Exclusions

This insurance does not apply to any of the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

2. Contractual

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- b. That the "insured" would have in the absence of the contract or agreement.

3. Workers' Compensation

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

4. Employee Indemnification And Employer's Liability

"Bodily injury" to:

- a. An "employee" of the "insured" arising out of and in the course of:
 - (1) Employment by the "insured"; or
 - (2) Performing the duties related to the conduct of the "insured's" business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph a. above.

This exclusion applies:

- (1) Whether the "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the Coverage Form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. Fellow Employee

"Bodily injury" to:

- a. Any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business; or
- b. The spouse, child, parent, brother or sister of that fellow "employee" as a consequence of Paragraph a. above.

6. Care, Custody Or Control

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. Handling Of Property

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or

- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

8. Movement Of Property By Mechanical Device

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

9. Operations

"Bodily injury" or "property damage" arising out of the operation of:

- a. Any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment"; or
- b. Machinery or equipment that is on, attached to or part of a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

10. Completed Operations

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraph a. or b. above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed;
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site; or
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

11. Pollution

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
 - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

12. War

"Bodily injury" or "property damage" arising directly or indirectly out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

13. Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

C. Limit Of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit Of Insurance for Covered Autos Liability Coverage shown in the Declarations.

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

SECTION III — PHYSICAL DAMAGE COVERAGE

A. Coverage

1. We will pay for "loss" to a covered "auto" or its equipment under:

- a. **Comprehensive Coverage**

From any cause except:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

- b. **Specified Causes Of Loss Coverage**

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

- c. **Collision Coverage**

Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

2. **Towing**

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

3. **Glass Breakage - Hitting A Bird Or Animal - Falling Objects Or Missiles**

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and

- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

4. Coverage Extensions

- a. **Transportation Expenses**

We will pay up to \$20 per day, to a maximum of \$600, for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes Of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

- b. **Loss Of Use Expenses**

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicates that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes Of Loss only if the Declarations indicates that Specified Causes Of Loss Coverage is provided for any covered "auto"; or
- (3) Collision only if the Declarations indicates that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600.

B. Exclusions

1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

- a. **Nuclear Hazard**

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

b. War Or Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.

3. We will not pay for "loss" due and confined to:

- a. Wear and tear, freezing, mechanical or electrical breakdown.
- b. Blowouts, punctures or other road damage to tires.

This exclusion does not apply to such "loss" resulting from the total theft of a covered "auto".

4. We will not pay for "loss" to any of the following:

- a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
- b. Any device designed or used to detect speed-measuring equipment, such as radar or laser detectors, and any jamming apparatus intended to elude or disrupt speed-measuring equipment.
- c. Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.
- d. Any accessories used with the electronic equipment described in Paragraph c. above.

5. Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

- a. Permanently installed in or upon the covered "auto";

- b. Removable from a housing unit which is permanently installed in or upon the covered "auto";
- c. An integral part of the same unit housing any electronic equipment described in Paragraphs a. and b. above; or
- d. Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

6. We will not pay for "loss" to a covered "auto" due to "diminution in value".

C. Limits Of Insurance

1. The most we will pay for:

- a. "Loss" to any one covered "auto" is the lesser of:

- (1) The actual cash value of the damaged or stolen property as of the time of the "loss"; or
- (2) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

- b. All electronic equipment that reproduces, receives or transmits audio, visual or data signals in any one "loss" is \$1,000, if, at the time of "loss", such electronic equipment is:

- (1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;
- (2) Removable from a permanently installed housing unit as described in Paragraph b.(1) above; or
- (3) An integral part of such equipment as described in Paragraphs b.(1) and b.(2) above.

2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".

3. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

D. Deductible

For each covered "auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

SECTION IV — BUSINESS AUTO CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

A. Loss Conditions

1. Appraisal For Physical Damage Loss

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event Of Accident, Claim, Suit Or Loss

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:
 - (1) How, when and where the "accident" or "loss" occurred;
 - (2) The "insured's" name and address; and
 - (3) To the extent possible, the names and addresses of any injured persons and witnesses.
- b. Additionally, you and any other involved "insured" must:
 - (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
 - (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".

- (4) Authorize us to obtain medical records or other pertinent information.

- (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.

- c. If there is "loss" to a covered "auto" or its equipment, you must also do the following:

- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
- (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
- (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

3. Legal Action Against Us

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Covered Autos Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

4. Loss Payment - Physical Damage Coverages

At our option, we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

5. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

B. General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

2. Concealment, Misrepresentation Or Fraud

This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other "insured", at any time, intentionally conceals or misrepresents a material fact concerning:

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

3. Liberalization

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. No Benefit To Bailee - Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

5. Other Insurance

- a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Covered Autos Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own; or

- (2) Primary while it is connected to a covered "auto" you own.

- b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".
- c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Covered Autos Liability Coverage is primary for any liability assumed under an "insured contract".
- d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

6. Premium Audit

- a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. Policy Period, Coverage Territory

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- (1) The United States of America;
- (2) The territories and possessions of the United States of America;
- (3) Puerto Rico;

(4) Canada; and

(5) Anywhere in the world if a covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less,

provided that the "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada, or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

8. Two Or More Coverage Forms Or Policies Issued By Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us applies to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

SECTION V — DEFINITIONS

A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".

B. "Auto" means:

1. A land motor vehicle, "trailer" or semitrailer designed for travel on public roads; or
2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

C. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these.

D. "Covered pollution cost or expense" means any cost or expense arising out of:

1. Any request, demand, order or statutory or regulatory requirement that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

2. Any claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

a. That are, or that are contained in any property that is:

- (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
- (2) Otherwise in the course of transit by or on behalf of the "insured"; or
- (3) Being stored, disposed of, treated or processed in or upon the covered "auto";

b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraph **6.b.** or **6.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
 - (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.
- E.** "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".
- F.** "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- G.** "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.
- H.** "Insured contract" means:
- 1. A lease of premises;
 - 2. A sidetrack agreement;
 - 3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - 4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - 5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement; or

6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
 - b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
 - c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.
- I.** "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
- J.** "Loss" means direct and accidental loss or damage.
- K.** "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- 1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - 2. Vehicles maintained for use solely on or next to premises you own or rent;
 - 3. Vehicles that travel on crawler treads;
 - 4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;

5. Vehicles not described in Paragraph 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or
- b. Cherry pickers and similar devices used to raise or lower workers; or

6. Vehicles not described in Paragraph 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- a. Equipment designed primarily for:
 - (1) Snow removal;
 - (2) Road maintenance, but not construction or resurfacing; or
 - (3) Street cleaning;
- b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

L. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

M. "Property damage" means damage to or loss of use of tangible property.

N. "Suit" means a civil proceeding in which:

- 1. Damages because of "bodily injury" or "property damage"; or
 - 2. A "covered pollution cost or expense";
- to which this insurance applies, are alleged.

"Suit" includes:

- a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.

O. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

P. "Trailer" includes semitrailer.

WISCONSIN CHANGES

COMMERCIAL AUTO
CA 01 17 10 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, Wisconsin, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Changes In Covered Autos Liability Coverage

1. If your business is other than selling, servicing, repairing or parking "autos", **Who Is An Insured** is changed to include an officer, agent or "employee" of such business while using a covered "auto". However, that person is an "insured" only if he or she has no other valid and collectible insurance with at least the applicable minimum limit specified in WIS. STAT. ch. 344. In this event, coverage will be provided only up to the applicable minimum limit specified in WIS. STAT. ch. 344. The applicable minimum limit is:
 - a. \$60,000 for each "accident" for "bodily injury" and "property damage", if the limit of liability is a single limit that applies for each "accident"; or
 - b. \$25,000 for each person/\$50,000 for each "accident" for "bodily injury"/\$10,000 for "property damage", if the limit of liability is indicated as a split limit.
2. If your business is selling, servicing, repairing or parking "autos", **Who Is An Insured** is changed to include anyone other than an officer, agent or "employee" of such business while using a covered "auto". However, that person is an "insured" only if he or she has no other valid and collectible insurance with at least the applicable minimum limit specified in WIS. STAT. ch. 344. In this event, coverage will be provided only up to the applicable minimum limit specified in WIS. STAT. ch. 344. The applicable minimum limit is:
 - a. \$60,000 for each "accident" for "bodily injury" and "property damage", if the limit of liability is a single limit that applies for each "accident"; or
 - b. \$25,000 for each person/\$50,000 for each "accident" for "bodily injury"/\$10,000 for "property damage", if the limit of liability is indicated as a split limit.
3. The following is added to **Who Is An Insured**:
Anyone else is an "insured" while using a covered "auto" you own with your or any adult "family member's" permission.
4. The Auto Dealers Coverage Form is changed as follows:
 - a. Paragraph **2.b.(4)(a)** of the **Who Is An Insured** provision is replaced by the following:
 - (a) Has no other available insurance (whether primary, excess or contingent), they are an "insured" but only up to \$60,000 for each "accident", which is the minimum combined single limit of liability specified in WIS. STAT. ch. 344.
 - b. Paragraph **2.b.(4)(b)** of the **Who Is An Insured** provision is replaced by the following:
 - (b) Has other available insurance (whether primary, excess or contingent), less than the applicable minimum limit for "bodily injury" or "property damage" liability specified in WIS. STAT. ch. 344, they are an "insured" only for the amount by which the applicable minimum limit of liability exceeds the limit of their other insurance. The applicable minimum limit is:
 - (i) \$60,000 for each "accident" for "bodily injury" or "property damage", if the limit of liability is a single limit that applies for each "accident"; or

- (ii) \$25,000 for each person/\$50,000 for each "accident" for "bodily injury"/\$10,000 for "property damage", if the limit of liability is indicated as a split limit.

5. Paragraph **1.b.(4)** of the **Who Is An Insured** provision in the Motor Carrier Coverage Form does not apply.
6. The **Fellow Employee** Exclusion does not apply if the "bodily injury" results from the use of a covered "auto" you do not own or lease.

B. Changes In Conditions

1. The lead-in to the **Duties In The Event Of Accident, Claim, Suit Or Loss** Condition in the Business Auto and Motor Carrier Coverage Forms and the **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** Condition in the Auto Dealers Coverage Form is replaced by the following:

We have no duty to provide coverage under this policy if failure to comply with the following duties is prejudicial to us:

2. The first sentence of Paragraph **a.** in the **Duties In The Event Of Accident, Claim, Suit Or Loss** Condition in the Business Auto and Motor Carrier Coverage Forms is replaced by the following:
 - a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representatives notice as soon as reasonably possible of the "accident" or "loss".
3. The first sentence of Paragraph **a.** in the **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** Condition in the Auto Dealers Coverage Form is replaced by the following:
 - a. In the event of "accident", claim, "suit", offense, "loss" or "act, error or omission", you must give us or our authorized representatives notice as soon as reasonably possible of the "accident", offense, "loss" or "act, error or omission".
4. The following is added to the **Transfer Of Rights Of Recovery Against Others To Us** Condition:

We shall be entitled to a recovery only after the "insured" has been fully compensated for damages.

5. The **Legal Action Against Us** Condition does not apply.
6. The following is added to the **Concealment, Misrepresentation Or Fraud** Condition:

No oral or written statement, representation or warranty made by the "insured" or on his or her behalf in the negotiation for or procurement of this Coverage Form shall be deemed material or defeat or void this Coverage Form, unless such statement, representation or warranty was false and made with intent to deceive, or unless the matter misrepresented or made a warranty, increased the risk or contributed to the "loss". In addition, no breach of a warranty in this Coverage Form shall defeat or void this Coverage Form unless the breach of such warranty increased the risk at the time of "loss", or contributed to the "loss", or existed at the time of the "loss".

Our authorized representative's knowledge will be considered our knowledge. If our authorized representative knows before an "accident" or "loss", and if applicable, offense or "act, error or omission", something which violates a policy condition, this will not void the policy or defeat a recovery for a claim.

If we elect to rescind this policy, we will notify the "insured" of our intention within 60 days after acquiring knowledge of sufficient facts to constitute grounds for rescission.

7. The following condition is added:

Conformity To Statute Or Rule

Any provision of this Coverage Part (including endorsements which modify the Coverage Part) that is in conflict with a Wisconsin statute or rule is hereby amended to conform to that statute or rule.

The term rule means a valid rule promulgated by the Commissioner of Insurance in accordance with the rule-making authority conferred under WIS. STAT. Section 227.11(2) and published in the Wisconsin Administrative Code.

EXCLUSION OF FEDERAL EMPLOYEES USING AUTOS IN GOVERNMENT BUSINESS

COMMERCIAL AUTO
CA 04 42 10 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

The following are not "insureds" under Covered Autos Liability Coverage:

- A. The United States of America or any of its agencies.
- B. Any United States Government "employee", including you, for "bodily injury" or "property damage" resulting from the operation of an "auto", if:
 - 1. The "bodily injury" or "property damage" results while the "employee" is acting as an "employee"; and

- 2. The Federal Tort Claims Act requires the U.S. Attorney General to defend the "employee" in any civil action or proceeding that may be brought for the "bodily injury" or "property damage".

EMPLOYEE HIRED AUTOS**COMMERCIAL AUTO
CA 20 54 10 13****THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Changes In Covered Auto Liability Coverage

The following is added to the **Who Is An Insured** Provision:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.

B. Changes In General Conditions

Paragraph **5.b.** of the **Other Insurance** Condition in the Business Auto, and Auto Dealers Coverage Forms and Paragraph **5.f.** of the **Other Insurance - Primary And Excess Insurance Provisions** Condition in the Motor Carrier Coverage Form are replaced by the following:

For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

1. Any covered "auto" you lease, hire, rent or borrow; and
2. Any covered "auto" hired or rented by your "employee" under a contract in an "employee's" name; with your permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

LIMITED MOBILE EQUIPMENT COVERAGE

COMMERCIAL AUTO
CA 77 74 07 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

Except for those types of vehicles listed below, a vehicle within the "mobile equipment" definition under **SECTION V — DEFINITIONS** will be treated as an "auto" solely under **SECTION II — LIABILITY COVERAGE** but only to the extent the "mobile equipment": (1) is being driven under its own power, (2) is being driven in public rights of way, and (3) is subject to a compulsory insurance or financial responsibility law or other mandatory motor vehicle insurance law in the state where it is licensed or principally garaged. This endorsement applies regardless of any Covered Auto Designation Symbol shown in the Declarations solely with respect to the "mobile equipment" described in the foregoing sentence.

This endorsement does not provide coverage for any "mobile equipment" under **SECTION III — PHYSICAL DAMAGE COVERAGE** unless that "mobile equipment" is specifically scheduled as a covered "auto" and a premium charge is made for that "mobile equipment" as a covered "auto" in the Declarations.

Recreational vehicles, snowmobiles, ATVs, off-road motorcycles or any other similar type of vehicles or "mobile equipment" shall never be treated as an "auto" under this endorsement unless the vehicle is specifically scheduled as a covered "auto" and a premium charge is made for that vehicle as a covered "auto" in the Declarations.

If any other coverage part issued by Us or any of Our insurance company affiliates, applies or is deemed by the issuing company to apply to a loss which is also covered by this endorsement, only one coverage part that applies or is deemed by the issuing company to apply will respond to the loss and provide defense.

COMMERCIAL INLAND MARINE DECLARATIONS

Policy Effective Date: DECEMBER 14, 2019

Coverage Effective Date: DECEMBER 14, 2019

Insurance is provided only for those coverages shown in the following coverage schedule.

C o v e r a g e S c h e d u l e

Coverage	Premium
CONTRACTORS' EQUIPMENT	\$442.00
INLAND MARINE PAC PRIMARY	\$175.00

Forms and Endorsements:

Refer to "Commercial Policy Forms and Endorsement Schedule"

Premium Amount

\$629.00
(This premium may be
subject to adjustment.)

Policy Number

S 2416351

**CONTRACTORS EQUIPMENT
LOSS PAYEE SCHEDULE**

POLICY NUMBER: S 2416351

COMMERCIAL INLAND MARINE
CM 71 95 01 09**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

SCHEDULE**Name of Person or Organization**ASCENTIUM CAPITAL LLC ISAOA
PO BOX 979059
MIAMI, FL 33197**Item (see CM 70 96)**

00002, 00003

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

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CM 71 95 01 09

COMMERCIAL INLAND MARINE CONDITIONS**COMMERCIAL INLAND MARINE
CM 00 01 09 04**

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

LOSS CONDITIONS**A. Abandonment**

There can be no abandonment of any property to us.

B. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.

4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.

10. Cooperate with us in the investigation or settlement of the claim.

D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
 - a. We have reached agreement with you on the amount of the loss; or
 - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

F. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

G. Pair, Sets Or Parts**1. Pair Or Set**

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

2. Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

I. Reinstatement Of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

J. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance; or

b. A business firm:

- (1) Owned or controlled by you; or
- (2) That owns or controls you.

This will not restrict your insurance.

GENERAL CONDITIONS**A. Concealment, Misrepresentation Or Fraud**

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. Control Of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

D. No Benefit To Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

E. Policy Period, Coverage Territory

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

F. Valuation

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

WISCONSIN CHANGES

COMMERCIAL INLAND MARINE
CM 01 05 01 01

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART**A. The following exclusion is added:**

1. We will not pay for loss or damage arising out of any act committed:
 - a. By or at the direction of any insured; and
 - b. With the intent to cause a loss.
2. However, this exclusion will not apply to deny coverage to an insured who did not cooperate in or contribute to the creation of the loss, provided the loss is otherwise covered under this Coverage Part and:
 - a. The loss arose out of an act or pattern of abuse or domestic abuse; and
 - b. The perpetrator of the loss is criminally prosecuted for the act or acts causing the loss.
3. If we pay a claim pursuant to Paragraph **A.2.**, our payment to the innocent insured is limited to that insured's ownership interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

B. General Condition A. Concealment, Misrepresentation Or Fraud in the Commercial Inland Marine Conditions is replaced by the following:**A. Concealment, Misrepresentation Or Fraud**

1. No misrepresentation and no breach of affirmative warranty made by you or on your behalf in the negotiation for or procurement of this Coverage Part affects our obligations unless, if a misrepresentation, the person knew or should have known that the representation was false, and unless:
 - a. We rely on the misrepresentation or affirmative warranty and the misrepresentation or affirmative warranty is either material or made with intent to deceive; or
 - b. The facts misrepresented or falsely warranted contribute to the loss.

2. No failure of a condition before the loss and no breach of a promissory warranty affects our obligation under this Coverage Part unless such failure or breach exists at the time of loss and either:
 - a. Increases the risk at the time of loss; or
 - b. Contributes to the loss.

C. General Condition C. Legal Action Against Us is replaced by the following:**B. Legal Action Against Us**

No one may bring legal action against us under this Coverage Part unless the action is brought within 2 years after you first have knowledge of the direct loss or damage.

D. The following is added to Loss Condition J. Transfer Of Rights Of Recovery Against Others To Us in the Commercial Inland Marine Conditions:**J. Transfer Of Rights Of Recovery Against Others To Us**

If we pay an insured for a loss described in Paragraph **A.2.**, the rights of the insured to recover damages from the perpetrator are transferred to us to the extent of our payment. Following the loss, the insured may not waive such rights to recover against the perpetrator.

We will be entitled to any recovery only after you have been fully compensated for damages.

E. The following are added to the General Conditions in the Commercial Inland Marine Conditions:**1. Knowledge And Acts Of Agents**

- a. If any of our agents knows any fact that breaches a condition of this policy, we will be considered to know it also if that fact:
 - (1) Is known to the agent at the time the policy is issued or an application made; or
 - (2) Later becomes known to the agent in the course of his or her dealings as an agent with you.

- b. Any fact that breaches a condition of this policy and is known to the agent before the loss will not:

- (1) Void this policy; or
- (2) Prevent a recovery in the event of loss.

2. Bankruptcy

If you or your estate go bankrupt or become insolvent, we will continue to fulfill our duties and obligations under this Coverage Part.

3. Conformity To Statute Or Rule

Any provision of this Coverage Part (including endorsements which modify the Coverage Part) that is in conflict with a Wisconsin statute or rule is hereby amended to conform to that statute or rule.

The term rule means a valid rule promulgated by the Commissioner of Insurance in accordance with the rulemaking authority conferred under Wis. Stat. Ann. Section 227.11(2) and published in the Wisconsin Administrative Code.

CONTRACTORS EQUIPMENT COVERAGE FORM

COMMERCIAL INLAND MARINE
CM 70 97 03 12

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION F — DEFINITIONS**.

If a "loss" covered under this Coverage Form also involves a "loss" covered under any other Coverage Form that is made a part of this policy, then the broadest coverage will apply. If Covered Property is specifically scheduled or described under another Coverage Form, the valuation provisions of that more specific Coverage Form will apply.

A. COVERAGE

We will pay for "loss" to Covered Property from any of the Covered Causes of Loss.

1. COVERED PROPERTY, as used in this Coverage Form, means:

- a. Your contractors equipment; and
- b. Contractors equipment of others in your care, custody or control;

that are scheduled in the Declarations.

2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Automobiles, motor trucks, motorcycles, trailers, semi-trailers or any other vehicles designed and principally used for highway transportation unless unlicensed and not operated on public roads;
- b. Aircraft or watercraft;
- c. Property while waterborne, except while in transit by carriers for hire;
- d. Property while stored or operated underground in connection with any mining or drilling operations except as provided under the Drillers Underground Equipment Coverage Extension; or
- e. Contraband or property in the course of illegal transportation or trade.

3. COVERED CAUSES OF LOSS

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL "LOSS" to Covered Property except those causes of loss listed in the Exclusions.

4. COVERAGE EXTENSIONS

Unless otherwise stated in the Coverage Form or in a specific Coverage Extension, the following Coverage Extensions:

- i. Are in addition to the Section **C. LIMITS OF INSURANCE**;
- ii. Apply on a per occurrence basis; and
- iii. Are subject to the provisions of Section **D. DEDUCTIBLE**.

a. Newly Acquired Property

If during the policy period you acquire additional property of a type covered by this form, we will cover such property for up to 90 days, but not beyond the end of the policy period. The most we will pay under this Coverage Extension is the lesser of:

- (1) 25% of the total Limit of Insurance shown in the Declarations; or
- (2) \$250,000.

If you do not report your acquisition of such property within 90 days from the date acquired and pay any additional premium due, coverage will cease automatically 90 days after the acquisition date or at the end of the policy period, whichever occurs first.

b. Debris Removal

We will pay your expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. Your expenses will be paid only if you report them to us in writing within 180 days of the date of the earlier of:

- (1) The date of direct physical "loss"; or
- (2) The end of the policy period.

The most we will pay under this Coverage Extension is 25% of the amount we pay for direct "loss" to the Covered Property. Any payment will not increase the applicable Limits of Insurance. But, if the debris removal expense exceeds the amount calculated above, or if the sum of our payments for direct "loss" and debris removal exceeds the applicable Limit of Insurance, we will pay up to an additional \$50,000 in any one occurrence.

This Coverage Extension does not apply to costs to:

- (1) Extract "pollutants" from land or water; or
- (2) Remove, restore or replace polluted land or water.

c. Pollutant Clean Up and Removal

We will pay your expenses to extract "pollutants" from land or water if the release, discharge or dispersal of the "pollutants" resulting from a "loss" to Covered Property is caused by a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (1) The date of direct physical "loss"; or
- (2) The end of the policy period.

The most we will pay under this Coverage Extension is \$25,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

d. "Loss" to "Substitute Contractors Equipment"

We will pay for "loss" to "substitute contractors equipment" caused by or resulting from a Covered Cause of Loss. Coverage will start when you assume liability for "substitute contractors equipment", and will end the earlier of the following dates:

- (1) When your "substitute contractors equipment" is no longer in your care, custody or control; or
- (2) The policy expiration date.

Subject to the limitations set forth in Subparagraphs (1) and (2) above, we will also pay for such "loss" if it occurs while "substitute contractors equipment" is in transit to or from the owner if you are liable for the item at the time of "loss".

The most we will pay under this Coverage Extension is \$25,000.

e. Theft Rewards

(This provision does not apply in New York)

We will pay for rewards given to any person or persons, other than you, your officers, your partners or your employees for information leading to a conviction in connection with an actual theft "loss" to Covered Property.

The most we will pay under this Coverage Extension is \$5,000 per theft "loss". This is the most we will pay regardless of the number of persons who provided information. No deductible will apply to this Coverage Extension.

f. Vandalism Rewards

(This provision does not apply in New York)

We will pay for rewards given to any person or persons, other than you, your officers, your partners or your employees for information leading to a conviction in connection with a vandalism "loss" to Covered Property.

The most we will pay under this Coverage Extension is \$5,000 per vandalism "loss". This is the most we will pay regardless of the number of persons who provided information. No deductible will apply to this Coverage Extension.

g. Expediting Expense

We will pay the reasonable and necessary extra cost incurred by you to make temporary repairs and to expedite the permanent repair or replacement of Covered Property in connection with a "loss" to Covered Property from a Covered Cause of Loss. Such incurred expenses may include but are not limited to costs to obtain replacement parts or materials on an expedited basis, additional labor expense and the extra cost of express freight or other rapid means of transportation.

This Coverage Extension will not pay for extra costs recoverable elsewhere in the policy or for permanent repair or replacement of Covered Property.

The most we will pay under this Coverage Extension is \$25,000.

h. Fire Department Service Charge Expense

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$5,000 for your liability for fire department service charges:

(1) Assumed by contract or agreement prior to "loss"; or

(2) Required by local ordinance.

No deductible applies to this Coverage Extension.

i. Fire Extinguisher Recharge Expense

We will pay for the cost to recharge or refill any fire extinguishing equipment when discharged:

(1) In response to a Covered Cause of Loss;

(2) As a result of the intended operation of such equipment to prevent or control a Covered Cause of Loss;

(3) Accidentally; or

(4) Resulting from a malfunction of the fire extinguishing equipment.

We will not pay for cost to recharge or refill fire extinguishing equipment:

(1) If you fail to use reasonable care to maintain the fire extinguishing equipment in proper operating condition; or

(2) If the discharge occurs while servicing, refilling or testing the fire extinguishing equipment.

The most we will pay under this Coverage Extension is \$10,000.

No deductible applies to this Coverage Extension.

j. Spare Parts And Fuel

We will cover direct physical "loss" to the property identified in Subparagraphs (1) and (2) below caused by a Covered Cause of Loss:

(1) Spare parts and accessories for Covered Property; and

(2) Fluids for vehicles and Covered Property. Fluids include but are not limited to fuel, oil, grease and hydraulic fluid.

The most we will pay under this Coverage Extension is \$5,000.

k. Transportation Of Contractors Equipment Of Others

We will cover your legal liability for "loss" caused by a Covered Cause of Loss to contractor's equipment of others while in your care, custody and control for the purpose of transportation to a designated site.

The most we will pay under this Coverage Extension for any one item is the lesser of the following:

(1) The amount for which you are legally liable;

(2) The actual cash value of the contractors equipment;

(3) The cost of repairing or replacing the contractors equipment with equipment of a similar kind and quality; or

(4) \$50,000.

m. Drillers Underground Equipment

We will pay for your expenses to recover "drilling equipment" when located underground at a job site.

The most we will pay under this Coverage Extension is the lesser of the following:

(1) The value of the "drilling equipment";

(2) The cost of recovery; or

(3) \$25,000.

B. EXCLUSIONS

1. We will not pay for a "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss."

a. GOVERNMENTAL ACTION

Seizure or destruction of property by order of governmental authority.

But we will pay for loss caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire caused by a Covered Cause of Loss to prevent its spread.

b. NUCLEAR HAZARD

(1) Any weapon employing atomic fission or fusion; or

(2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct "loss" caused by a resulting fire caused by a covered Cause of Loss.

c. WAR AND MILITARY ACTION

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for a "loss" caused by or resulting from any of the following:

a. Dishonest acts by:

- (1) You, your employees or authorized representatives;
- (2) Anyone else with an interest in the property, or their employees or authorized representatives; or
- (3) Anyone else to whom the property is entrusted.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons and without regard to whether such acts occur during the hours of employment.

This exclusion does not apply to Covered Property in the custody of a carrier for hire.

b. Missing property where the only proof of loss is unexplained or mysterious disappearance of Covered Property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the Covered Property.

This exclusion does not apply to Covered Property in the custody of a carrier for hire.

c. Discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (1) Unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "Specified Causes of Loss"; or
- (2) Except as provided for in the Pollutant Clean Up and Removal Coverage Extension.

But if "loss" by any of the "Specified Causes of Loss" results from the discharge, dispersal, seepage, migration, release or escape of "pollutants", we will pay for the resulting "loss" caused by the "Specified Causes of Loss".

d. Processing or work upon the Covered Property.

But we will pay for direct "loss" to Covered Property caused by resulting fire or explosion, if these causes of loss would be covered under this Coverage Form.

e. Artificially generated current creating a short circuit or other electric disturbance within an item covered under this Coverage Form.

But we will pay for direct "loss" to Covered Property caused by resulting fire or explosion, if these causes of loss would be covered under this Coverage Form.

This exclusion only applies to "loss" to that item in which the disturbance occurs.

f. Weight of a load which under the operating conditions at the time of "loss" exceeds the registered lifting capacity of the equipment..

g. Delay, loss of use, loss of market or any other cause of consequential "loss".

h. Voluntary parting with any Covered Property whether or not induced to do so by any fraudulent scheme, trick, device or false pretense.

3. We will not pay for a "loss" caused by or resulting from any of the following. But if "loss" caused by a Covered Cause of Loss results, we will pay for that resulting "loss":

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the "loss."

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Faulty, inadequate or defective:

(1) Planning, zoning, development, surveying, siting;

(2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

of part or all of any property wherever located.

- d. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, mechanical breakdown, corrosion, rust, dampness, cold or heat.

C. LIMITS OF INSURANCE

The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

D. DEDUCTIBLE

1. We will not pay for "loss" in any one occurrence until the amount of the adjusted "loss" before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted "loss" in excess of the Deductible, up to the applicable Limit of Insurance.
2. If a "loss" covered under this Coverage Form also involves a "loss" under any other Coverage Form issued by us or any company affiliated with us, the most we will deduct from the payment for "loss" to Covered Property is the single largest deductible involved. Furthermore, each deductible will only be applied against its applicable coverage and any deductible amount(s) actually taken will be applied toward any remaining larger deductible(s).
3. Waiver of Theft Deductible For Covered Property
 - a. If there is a theft "loss" to Covered Property, we will waive the deductible if:
 - (1) The Covered Property is equipped with an operational GPS tracking device or a similar tracking device; or
 - (2) You have "properly registered" the stolen Covered Property with the National Equipment Register prior to the theft "loss" to the Covered Property.
 - (3) In addition to Paragraph (1) or (2) above, you must:
 - (a) Report the theft "loss" of the Covered Property to the local law enforcement agency having jurisdiction as soon as you become aware of the theft; and
 - (b) Report the "loss" to us in accordance with the terms and conditions of this policy.

E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

1. VALUATION

- a. The following is added to the VALUATION General Condition in the Commercial Inland Marine Conditions for Covered Property:
 - (1) In the event of "loss" to Covered Property owned by you and purchased new within a five year period prior to the "loss", we will determine the value of the Covered Property at Replacement Cost (without deduction for depreciation).
 - (a) We will not pay more for "loss" on a Replacement Cost basis than the lesser of:
 - i. The limit of insurance for any one item;
 - ii. The cost to replace the Covered Property with other Covered Property of similar quality and capability and used for the same purpose; or
 - iii. The amount you actually spend that is necessary to repair or replace the Covered Property.
 - (b) We will pay on an Actual Cash Value basis until the lost or damaged Covered Property is actually repaired or replaced.
 - (c) If the Covered Property is not repaired or replaced within 180 days of the date of "loss", valuation will remain on an Actual Cash Value basis.
- (2) In the event of a "loss" to Covered Property leased or rented from others, if the written lease or rental agreement requires that you insure the Covered Property on a Replacement Cost basis, we will determine the value of the Covered Property at Replacement Cost subject to Paragraphs a.(1)(a) through a.(1)(c) above.

2. COVERAGE TERRITORY

We cover property wherever located within:

- a. The United States of America;
- b. Puerto Rico; and
- c. Canada.

3. COINSURANCE

All Covered Property must be insured for at least 80% of its total value as of the time of "loss" or you will incur a penalty.

The penalty is that we will pay only the proportion of any "loss" to an item that the Limit of Insurance shown in the Declarations for the item bears to 80% of its total value as of the time of "loss".

Coinsurance does not apply to Covered Property that you lease, rent or borrow from others.

4. RECORDS

You must keep accurate records of your business and retain them for three years after the policy ends.

5. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee shown in the Declarations have an insurable interest, we will:

- a. Adjust "losses" with you; and
- b. Pay any claim for "loss" jointly to you and the Loss Payee, as interests may appear.

F. DEFINITIONS

1. "Drilling Equipment" means drill bits, stems, adapters, hammers, fittings, measuring devices, pumps and similar drilling parts or accessories normal to drilling operations.
2. "Loss" means accidental loss or damage that occurs during the policy period.
3. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
4. "Properly registered" means providing National Equipment Register (NER) with the specific manufacturer, model number, serial number and year manufactured either through your online entry of this information in the NER web site or sending this information on an electronic spreadsheet directly to NER.

5. "Specified Causes of Loss" means fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; sonic boom, volcanic action; falling objects; weight of snow, ice or sleet or water damage.

- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

- (1) The cost of filling sinkholes; or
- (2) Sinking or collapse of land into man-made underground cavities.

- b. Falling objects does not include loss or damage to:

- (1) Personal property in the open; or
- (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a part of a system or appliance containing water or steam.

6. "Substitute Contractors Equipment" means substitute equipment similar to the contractors equipment used in your business operations that you must rent due to "loss" to your contractors equipment caused by or resulting from a Covered Cause of Loss. "Substitute Contractors Equipment" are only those items which are:

- a. Necessary to continue your normal business operations; and
- b. Needed because you do not have other contractors equipment available for similar use.

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Various provisions in this Coverage Form restrict coverage. Read the entire Coverage Form carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Form, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **F. — DEFINITIONS**.

If we or any of our affiliates issue other insurance to you and more than one limit of insurance applies to loss or damage sustained by you, then the broadest coverage will apply. If Covered Property is specifically scheduled or described under another Coverage Form, the valuation provisions of that more specific Coverage Form will apply.

A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from any of the Covered Causes of Loss.

1. COVERED PROPERTY, as used in this Coverage Form, means:

- a. "Electronic information systems";
- b. "Contractors equipment";
- c. "Installation floater";
- d. "Miscellaneous property".

2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Automobiles, motor trucks, motorcycles, trailers, semi-trailers or any other vehicles designed and principally used for highway transportation unless unlicensed and not operated on public roads;
- b. Aircraft or watercraft;
- c. Accounts, bills, currency, deeds, money, notes, securities and evidences of debt except as provided under the Accounts Receivable Coverage Extension;
- d. Property while waterborne, except while in transit by carriers for hire;
- e. "Contractors equipment" while underground;

- f. "Electronic information systems" rented, leased or sold to others;
- g. Program support documentation, flow-charts, record formats, or narrative descriptions, unless this property has been converted to "media" form;
- h. Buildings or structures at the "job site";
- i. Land (including land on which the property is located) or water;
- j. Contraband or property in the course of illegal transportation or trade.

3. COVERED CAUSES OF LOSS

Covered Causes of Loss means direct physical loss or damage to Covered Property except those causes of loss listed in Section **B. EXCLUSIONS**.

4. COVERAGE EXTENSIONS

Unless otherwise stated in the Coverage Form or in a specific Coverage Extension, the following Coverage Extensions:

- i. Are in addition to the Section **C. LIMITS OF INSURANCE**;
- ii. Apply on a per occurrence basis; and
- iii. Are subject to the provisions of Section **D. DEDUCTIBLE**.

a. Theft Rewards**(This provision does not apply in New York)**

We will reimburse you for payment of rewards given to any person or persons, other than you, your officers, your partners or your employees for information leading to a conviction in connection with a covered theft loss of Covered Property.

The most we will pay under this Coverage Extension for any one occurrence is \$1,000 regardless of the number of persons who provided information. No deductible applies to this Coverage Extension.

b. Vandalism Rewards**(This provision does not apply in New York)**

We will reimburse you for payment of rewards given to any person or persons, other than you, your officers, your partners or your employees for information leading to a conviction in connection with a covered vandalism loss to Covered Property.

The most we will pay under this Coverage Extension for any one occurrence is \$1,000 regardless of the number of persons who provided information. No deductible applies to this Coverage Extension.

c. Trees, Shrubs, Lawns or Plants

We will pay for direct physical loss or damage to trees, shrubs, lawns or plants, including removal caused by a Covered Cause of Loss.

The most we will pay under this Coverage Extension is \$2,500 but not more than \$500 for any one tree, shrub or plant.

d. Pollutant Clean Up And Removal

We will pay your expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss to Covered Property that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (1) The date of direct physical loss or damage; or
- (2) The end of the policy period.

The most we will pay under this Coverage Extension is \$5,000 for any one policy period.

e. Rental Reimbursement For Contractors Equipment

We will pay for necessary expenses you incur for rental of "substitute contractors equipment".

The most we will pay under this Coverage Extension is \$2,500 of your rental expenses. You will be responsible for the expenses incurred during the first 72 hours for rental of "substitute contractors equipment". The coverage will end when one of the following first occurs:

- (1) The "contractors equipment" is replaced;
- (2) The "contractors equipment" is restored to service; or
- (3) The need for the "substitute contractors equipment" no longer exists.

You must take all reasonable steps to repair or replace the "contractors equipment" and resume your normal business operations or work in progress as quickly as possible.

f. Valuable Papers - Cost Of Research

We will pay your costs to research, replace or restore the lost information on lost or damaged valuable papers and records caused by or resulting from a Covered Cause of Loss, including those which exist on electronic or magnetic "media", for which duplicates do not exist.

When duplicates exist, we will determine the value of valuable papers and records, including those that exist on electronic or magnetic "media" (other than prepackaged software programs) at the cost of:

- (1) Blank materials for reproducing the records; and
- (2) Labor to transcribe or copy the records.

The most we will pay under this Coverage Extension in any one occurrence is \$2,500.

g. Accounts Receivable

We will pay:

- (1) All amounts due from your customers that you are unable to collect;
- (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
- (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable,

that result from Covered Causes of Loss to your records of accounts receivable.

The most we will pay under this Coverage Extension in any one occurrence is \$2,500.

h. Lock Replacement Cost

We will pay for the cost to replace locks necessitated by the theft of keys from your "job site" or premises owned, leased or occupied by you.

The most we will pay under this Coverage Extension in any one occurrence is \$2,500.

This coverage is subject to a \$50 deductible.

i. Emergency Removal

We will pay for direct physical loss or damage to Covered Property that has been moved because of the imminent danger of loss to the property while it is:

- (1) At a safe place away from your premises; or
- (2) Being taken to and returned from that place.

This Coverage Extension:

- (1) Is included within the Section **C. LIMITS OF INSURANCE**; and
- (2) Applies for up to 365 days after the Covered Property is first moved, but not beyond the expiration date of the policy.

We will also pay up to \$2,500 of the expense to move or store Covered Property to prevent loss or damage from a Covered Cause of Loss. This is in addition to the Section **C. LIMITS OF INSURANCE**.

j. Debris Removal

We will pay your expense to remove debris of Covered Property when such debris is caused by or results from a Covered Cause of Loss.

This Coverage Extension does not include the cost to:

- (1) Extract "pollutants" from land or water; or
- (2) Remove, restore, or replace polluted land or water.

The most we will pay under this Coverage Extension is:

- (1) 25% of the amount we pay for the direct physical loss or damage. However, the most we will pay for the total of direct physical loss or damage to Covered Property plus debris removal expense is the Limit of Insurance; and
- (2) If the total of the actual debris removal expense plus the direct physical loss or damage to Covered Property exceeds the Limit of Insurance, we will pay up to an additional \$5,000 for debris removal expense.

k. Virus or Harmful Code

- (1) We will pay the cost to replace or restore "electronic data":
 - (a) Which has been destroyed or corrupted by a virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation; or
 - (b) Which has been scanned, copied or observed by an unauthorized person's access into a computer system (including "electronic data") or a network to which it is connected.
- (2) To the extent that "electronic data" is not replaced or restored, the loss will be valued at the cost to replace the "media" on which the "electronic data" was stored, with blank "media" of substantially identical type.
- (3) This Coverage Extension does not apply to:
 - (a) Loss of exclusive use of any "data";
 - (b) Reduction in the economic or market value of any "data";
 - (c) Loss, expense or loss of Business Income caused by or resulting from manipulation of a computer system (including "electronic data") by any employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system; or
 - (d) Theft of personal or proprietary information.
- (4) The most we will pay under this Coverage Extension is \$5,000 in any one occurrence and \$15,000 in any one policy year.

B. EXCLUSIONS

1. We will not pay for a loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. GOVERNMENTAL ACTION

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

b. NUCLEAR HAZARD

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

c. WAR AND MILITARY ACTION

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for a loss or damage caused by or resulting from any of the following:

a. Dishonest or criminal acts committed by:

- (1) You, any of your partners, employees, directors, trustees, or authorized representatives;
- (2) Anyone else with an interest in the property, or their employees or authorized representatives; or
- (3) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

- b. Unexplained disappearance.
- c. Shortage found upon taking inventory.
- d. Suspension, lapse or cancellation of any lease, license, contract, or order that applies to "electronic information systems".
- e. Theft from any unattended vehicle unless at the time of theft its windows, doors and compartments were closed and locked and there are visible signs that the theft was the result of forced entry.

This exclusion does not apply to loss or damage at the "job site" or premises owned, leased or occupied by you.

- f. Except as provided under the Coverage Extension for Virus or Harmful Code:

(1) The introduction into your computer systems of a virus, harmful code or similar instruction enacted on a computer system (including "data" or "electronic information systems equipment") or network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation; and

(2) The unauthorized intrusion into your computer system (including "data" or "electronic information systems equipment") or network to which it is connected, designed to:

(a) Damage or destroy any part of the system or disrupt its normal operation; or

(b) Observe, scan or copy "data".

- 3. We will not pay for a loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a. Hidden or latent defect, mechanical breakdown or failure (including rupture or bursting caused by centrifugal force), or any quality in the property that causes it to damage or destroy itself.

This exclusion does not apply to "electronic information systems".

- b. Corrosion, rust or dampness.

This exclusion does not apply to "electronic information systems".

- c. Electrical breakdown or failure.

This exclusion applies only to "contractors equipment" and "miscellaneous property".

- d. Freezing or overheating.

This exclusion applies only to "contractors equipment".

- e. Wear and tear.

- f. Gradual deterioration.

C. LIMITS OF INSURANCE

The most we will pay in any one occurrence for loss or damage to all Covered Property is \$25,000. You may allocate this blanket Limit of Insurance among the Covered Property items as you desire subject to the following:

- 1. The most we will pay in any one occurrence for loss or damage to any one item other than personal property of employees is \$5,000;
- 2. The most we will pay in any one occurrence for loss or damage to any one item of personal property of employees, including employee tools, is \$2,500.

D. DEDUCTIBLE

- 1. We will not pay for loss or damage to Covered Property in any one occurrence until the amount of adjusted loss or damage exceeds \$500. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limits of Insurance.

2. If loss covered under this Coverage Form also involves loss covered under any other coverage form issued by us or any company affiliated with us, the most we will deduct from the claim payment is the single largest deductible involved. Furthermore, each deductible will only be applied against its applicable coverage and, any deductible amount(s) actually taken will be applied toward any remaining larger deductible(s).
3. Waiver of Theft Deductible for Contractors Equipment
 - a. If there is a theft loss to "contractors equipment" we will waive the deductible if:
 - (1) The "contractors equipment" is equipped with an operational GPS tracking device or a similar tracking device; or
 - (2) You "properly registered" the stolen "contractors equipment" with the National Equipment Register prior to the theft.
 - (3) In addition to Paragraph (1) or (2) above, you must:
 - (a) Report the theft of the "contractors equipment" to the local law enforcement agency having jurisdiction as soon as you become aware of the theft; and
 - (b) Report the loss to us in accordance with the terms and conditions of this policy.

E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

1. VALUATION

- a. Valuation in the Commercial Inland Marine Conditions is replaced by the following for "electronic information systems":
 - (1) "Electronic information systems equipment". The value of "electronic information systems equipment" will be its Replacement Cost (without deduction for depreciation).

- (2) "Data". The value of "data" will be the actual cost to reproduce. If the "data" is not replaced or reproduced, we will pay the cost of the value of the "media" with no stored "data".
- (3) "Media". The value of "media" will be based on the cost to repair or replace the "media" with material of the same kind or quality.

b. The following is added to **Valuation** in the Commercial Inland Marine Conditions:

- (1) In the event of loss or damage to "contractors equipment" owned by you and purchased new within a five year period prior to the loss or damage, we will determine the value of the "contractors equipment" at Replacement Cost (without deduction for depreciation).
 - (a) We will not pay more on a Replacement Cost basis than the lesser of:
 - i. The limit of insurance for any one item other than personal property of employees;
 - ii. The cost to replace the "contractors equipment" with other "contractors equipment" of similar quality and capability and used for the same purpose; or
 - iii. The amount you actually spend that is necessary to repair or replace the "contractors equipment".
 - (b) We will pay on an Actual Cash Value basis until the lost or damaged "contractors equipment" is actually repaired or replaced.
 - (c) If the "contractors equipment" is not repaired or replaced within 180 days of the date of loss or damage, valuation will remain on an Actual Cash Value basis.

(2) In the event of loss or damage to "contractors equipment" leased or rented from others, if the written lease or rental agreement requires that you insure the "contractors equipment" on a Replacement Cost basis, we will determine the value of the "contractors equipment" at Replacement Cost subject to Paragraphs **b.(1)(a)** through **b.(1)(c)** above.

(3) In the event of a loss or damage to "installation floater" property, we will determine the value on a Replacement Cost basis.

2. COVERAGE TERRITORY

We cover property wherever located within:

- a. The United States of America;
- b. Puerto Rico; and
- c. Canada.

3. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee have an insurable interest, we will:

- a. Adjust losses with you; and
- b. Pay any claim jointly to you and the Loss Payee, as interests may appear.

F. DEFINITIONS

1. "Contractors equipment" means your mobile machinery and equipment normally used in your contracting, servicing, installation, erection, fabrication, repair or moving operations or projects and similar mobile machinery and equipment of others in your care, custody or control.
2. "Data" means:
 - a. Records, information and files stored on magnetic tapes, disk packs, drums, paper tapes and cards;
 - b. Programming records used for electronic data processing or electronically controlled equipment; and
 - c. "Media".

3. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, as referred to herein, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, and which enable the computer or device to receive, process, store, retrieve or send "data".

4. "Electronic information systems" means:

- a. "Electronic information systems equipment"; and
- b. "Data".

5. "Electronic information systems equipment" means a network of machine components that accepts information, processes it according to a plan and produces a desired result. This includes programmable electronic devices that can store, retrieve and process "data" and associated peripheral devices that provide communication including input and output functions such as printing, or auxiliary functions such as "data" transmission. It includes air conditioning equipment, fire suppression equipment and electrical equipment used exclusively to service or protect the "electronic information systems equipment".

6. "Installation floater" means all materials, supplies, fixtures, machinery and equipment of any nature whatsoever intended for installation:

- a. While at the "job site";
- b. While at any temporary storage location; or
- c. While in transit.

7. "Job site" means the premises where the Covered Property will be used or permanently located at completion of the construction, erection, fabrication or installation.

8. "Media" means the material on which "data" is recorded, such as magnetic tapes, disk packs, drums, paper tapes, cards and programs. This includes the "data" stored on the "media".

9. "Miscellaneous property" means your property, property of others in your care, custody or control and employee tools.
10. "Pollutant" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
11. "Properly registered" means providing National Equipment Register (NER) with the specific manufacturer, model number, serial number and year manufactured either through your on-line entry of this information in the NER web site or sending this information on an electronic spreadsheet directly to NER.
12. "Substitute contractors equipment" means substitute equipment similar to the "contractors equipment" used in your business operations that you must rent in order to continue as nearly as possible your normal business operation or work progress due to loss or damage caused by or resulting from a Covered Cause of Loss to your "contractors equipment". "Substitute contractors equipment" are only those items which are:
 - a. Necessary to continue your normal business operations; and
 - b. Needed because you do not have other "contractors equipment" available for similar use.

LIBERALIZATION

COMMERCIAL INLAND MARINE
CM 72 00 01 12

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

The following General Condition is added to the Commercial Inland Marine Conditions:

Liberalization

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

Previous Policy Number

Policy Number

NEW

S 2416351

COMMERCIAL CRIME COVERAGE DECLARATION

Policy Effective Date: DECEMBER 14, 2019

Coverage Effective Date: DECEMBER 14, 2019

Business of Named Insured: MANUFACTURER OF CONCRETE/

Insurance is provided only for those coverages which are shown in the following coverage schedule.

C o v e r a g e S c h e d u l e

Coverage Form	Coverage	Limit	Deductible
	COMPUTER FRAUD	\$10,000	\$500
	EMPLOYEE THEFT -BLANKET	\$100,000	\$500
	FORGERY OR ALTERATION	\$100,000	\$500
	INSIDE THE PREMISES-ROBBERY/SAFE BURG OTHER PROP	\$25,000	\$500
	INSIDE THE PREMISES-THEFT OF MONEY AND SECURITIES	\$25,000	\$500
	OUTSIDE THE PREMISES	\$25,000	\$500

Forms and Endorsements:

Refer to "Commercial Policy Forms and Endorsement Schedule"

Premium Amount

\$80.00

(This premium may be)
(subject to adjustemnt.)

COMMERCIAL CRIME COVERAGE FORM (LOSS SUSTAINED FORM)

CRIME AND FIDELITY
CR 00 21 05 06

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is or is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

A. Insuring Agreements

Coverage is provided under the following Insuring Agreements for which a Limit of Insurance is shown in the Declarations and applies to loss that you sustain resulting directly from an "occurrence" taking place during the Policy Period shown in the Declarations, except as provided in Condition E.1.k. or E.1.l., which is "discovered" by you during the Policy Period shown in the Declarations or during the period of time provided in the Extended Period To Discover Loss Condition E.1.g.:

1. Employee Theft

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

2. Forgery Or Alteration

- a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

- (1) Made or drawn by or drawn upon you; or
- (2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

For the purposes of this Insuring Agreement, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

- b. If you are sued for refusing to pay any instrument covered in Paragraph 2.a., on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

3. Inside The Premises — Theft Of Money And Securities

- a. We will pay for loss of "money" and "securities" inside the "premises" or "banking premises":

- (1) Resulting directly from "theft" committed by a person present inside such "premises" or "banking premises"; or
- (2) Resulting directly from disappearance or destruction.

- b. We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities", if you are the owner of the "premises" or are liable for damage to it.

- c. We will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of or unlawful entry into those containers.

4. Inside The Premises — Robbery Or Safe Burglary Of Other Property

- a. We will pay for loss of or damage to "other property":

- (1) Inside the "premises" resulting directly from an actual or attempted "robbery" of a "custodian"; or

(2) Inside the "premises" in a safe or vault resulting directly from an actual or attempted "safe burglary".

- b. We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "robbery" or "safe burglary" of "other property", if you are the owner of the "premises" or are liable for damage to it.
- c. We will pay for loss of or damage to a locked safe or vault located inside the "premises" resulting directly from an actual or attempted "robbery" or "safe burglary".

5. Outside The Premises

- a. We will pay for loss of "money" and "securities" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from "theft", disappearance or destruction.
- b. We will pay for loss of or damage to "other property" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from an actual or attempted "robbery".

6. Computer Fraud

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the "premises" or "banking premises":

- a. To a person (other than a "messenger") outside those "premises"; or
- b. To a place outside those "premises".

7. Funds Transfer Fraud

We will pay for loss of "funds" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".

8. Money Orders And Counterfeit Money

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

- a. Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- b. "Counterfeit money" that is acquired during the regular course of business.

B. Limit Of Insurance

The most we will pay for all loss resulting directly from an "occurrence" is the applicable Limit of Insurance shown in the Declarations.

If any loss is covered under more than one Insuring Agreement or Coverage, the most we will pay for such loss shall not exceed the largest Limit of Insurance available under any one of those Insuring Agreements or Coverages.

C. Deductible

We will not pay for loss resulting directly from an "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

D. Exclusions

1. This insurance does not cover:

a. Acts Committed By You, Your Partners Or Your Members

Loss resulting from "theft" or any other dishonest act committed by:

- (1) You; or
- (2) Any of your partners or "members";

whether acting alone or in collusion with other persons.

b. Acts Of Employees Learned Of By You Prior To The Policy Period

Loss caused by an "employee" if the "employee" had also committed "theft" or any other dishonest act prior to the effective date of this insurance and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the "employee", learned of that "theft" or dishonest act prior to the Policy Period shown in the Declarations.

c. Acts Of Employees, Managers, Directors, Trustees Or Representatives

Loss resulting from "theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives:

- (1) Whether acting alone or in collusion with other persons; or
- (2) While performing services for you or otherwise;

except when covered under Insuring Agreement **A.1.**

d. Confidential Information

Loss resulting from:

- (1) The unauthorized disclosure of your confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or
- (2) The unauthorized use or disclosure of confidential information of another person or entity which is held by you including, but not limited to, financial information, personal information, credit card information or similar non-public information.

e. Governmental Action

Loss resulting from seizure or destruction of property by order of governmental authority.

f. Indirect Loss

Loss that is an indirect result of an "occurrence" covered by this insurance including, but not limited to, loss resulting from:

- (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property".
- (2) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.

- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

g. Legal Fees, Costs And Expenses

Fees, costs and expenses incurred by you which are related to any legal action, except when covered under Insuring Agreement **A.2.**

h. Nuclear Hazard

Loss or damage resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

i. Pollution

Loss or damage caused by or resulting from pollution. Pollution means the discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

j. War And Military Action

Loss or damage resulting from:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

2. Insuring Agreement A.1. does not cover:

a. Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

b. Trading

Loss resulting from trading, whether in your name or in a genuine or fictitious account.

c. Warehouse Receipts

Loss resulting from the fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.

3. Insuring Agreements A.3., A.4. and A.5. do not cover:

a. Accounting Or Arithmetical Errors Or Omissions

Loss resulting from accounting or arithmetical errors or omissions.

b. Exchanges Or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

c. Fire

Loss or damage resulting from fire, however caused, except:

(1) Loss of or damage to "money" and "securities"; and

(2) Loss from damage to a safe or vault.

d. Money Operated Devices

Loss of property contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

e. Motor Vehicles Or Equipment And Accessories

Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.

f. Transfer Or Surrender Of Property

(1) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises":

(a) On the basis of unauthorized instructions;

(b) As a result of a threat to do bodily harm to any person;

(c) As a result of a threat to do damage to any property;

(d) As a result of a threat to introduce a denial of service attack into your computer system;

(e) As a result of a threat to introduce a virus or other malicious instruction into your computer system which is designed to damage, destroy or corrupt data or computer programs stored within your computer system;

(f) As a result of a threat to contaminate, pollute or render substandard your products or goods; or

(g) As a result of a threat to disseminate, divulge or utilize:

(i) Your confidential information; or

(ii) Weaknesses in the source code within your computer system.

(2) But, this Exclusion does not apply under Insuring Agreement A.5. to loss of "money", "securities" or "other property" while outside the "premises" in the care and custody of a "messenger" if you:

(a) Had no knowledge of any threat at the time the conveyance began; or

(b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

g. Vandalism

Loss from damage to the "premises" or its exterior, or to any safe, vault, cash register, cash box, cash drawer or "other property" by vandalism or malicious mischief.

h. Voluntary Parting Of Title To Or Possession Of Property

Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

4. Insuring Agreement A.6. does not cover:**a. Credit Card Transactions**

Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

b. Funds Transfer Fraud

Loss resulting from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".

c. Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

5. Insuring Agreement A.7. does not cover:**COMPUTER FRAUD**

Loss resulting from the use of any computer to fraudulently cause a transfer of "money", "securities" or "other property".

E. Conditions

The following Conditions apply in addition to the Common Policy Conditions:

1. Conditions Applicable To All Insuring Agreements**a. Additional Premises Or Employees**

If, while this insurance is in force, you establish any additional "premises" or hire additional "employees", other than through consolidation or merger with, or purchase or acquisition of assets or liabilities of, another entity, such "premises" and "employees" shall automatically be covered under this insurance. Notice to us of an increase in the number of "premises" or "employees" need not be given and no additional premium need be paid for the remainder of the Policy Period shown in the Declarations.

b. Concealment, Misrepresentation Or Fraud

This insurance is void in any case of fraud by you as it relates to this insurance at any time. It is also void if you or any other Insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- (1) This insurance;
- (2) The property covered under this insurance;
- (3) Your interest in the property covered under this insurance; or
- (4) A claim under this insurance.

c. Consolidation — Merger Or Acquisition

If you consolidate or merge with, or purchase or acquire the assets or liabilities of, another entity:

- (1) You must give us written notice as soon as possible and obtain our written consent to extend the coverage provided by this insurance to such consolidated or merged entity or such purchased or acquired assets or liabilities. We may condition our consent by requiring payment of an additional premium; but

- (2) For the first 90 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, the coverage provided by this insurance shall apply to such consolidated or merged entity or such purchased or acquired assets or liabilities, provided that all "occurrences" causing or contributing to a loss involving such consolidation, merger or purchase or acquisition of assets or liabilities, must take place after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities.

d. Cooperation

You must cooperate with us in all matters pertaining to this insurance as stated in its terms and conditions.

e. Duties In The Event Of Loss

After you "discover" a loss or a situation that may result in loss of or damage to "money", "securities" or "other property" you must:

- (1) Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under Insuring Agreement **A.1.** or **A.2.**) involves a violation of law, you must also notify the local law enforcement authorities.
- (2) Submit to examination under oath at our request and give us a signed statement of your answers.
- (3) Produce for our examination all pertinent records.
- (4) Give us a detailed, sworn proof of loss within 120 days.
- (5) Cooperate with us in the investigation and settlement of any claim.

f. Employee Benefit Plans

- (1) The "employee benefit plans" shown in the Declarations (hereinafter referred to as Plan) are included as Insureds under Insuring Agreement **A.1.**

- (2) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance for Insuring Agreement **A.1.** that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required if each Plan were separately insured.

- (3) With respect to loss sustained or "discovered" by any such Plan, Insuring Agreement **A.1.** is replaced by the following:

We will pay for loss of or damage to "funds" and "other property" resulting directly from fraudulent or dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

- (4) If the first Named Insured is an entity other than a Plan, any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.

- (5) If two or more Plans are insured under this insurance, any payment we make for loss:

(a) Sustained by two or more Plans; or

(b) Of commingled "funds" or "other property" of two or more Plans;

resulting directly from an "occurrence" will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total Limit of Insurance of all Plans sustaining loss.

- (6) The Deductible Amount applicable to Insuring Agreement **A.1.** does not apply to loss sustained by any Plan.

g. Extended Period To Discover Loss

We will pay for loss that you sustained prior to the effective date of cancellation of this insurance, which is "discovered" by you:

- (1) No later than 1 year from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
- (2) No later than 1 year from the date of that cancellation with regard to any "employee benefit plans".

h. Joint Insured

- (1) If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
- (2) If any Insured, or partner, "member" or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- (3) An "employee" of any Insured is considered to be an "employee" of every Insured.
- (4) If this insurance or any of its coverages is cancelled as to any Insured, loss sustained by that Insured is covered only if it is "discovered" by you:
 - (a) No later than 1 year from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by that Insured, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

- (b) No later than 1 year from the date of that cancellation with regard to any "employee benefit plans".

- (5) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all such loss had been sustained by one Insured.

- (6) Payment by us to the first Named Insured for loss sustained by any Insured, other than an "employee benefit plan", shall fully release us on account of such loss.

i. Legal Action Against Us

You may not bring any legal action against us involving loss:

- (1) Unless you have complied with all the terms of this insurance;
- (2) Until 90 days after you have filed proof of loss with us; and
- (3) Unless brought within 2 years from the date you "discovered" the loss.

If any limitation in this Condition is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

j. Liberalization

If we adopt any revision that would broaden the coverage under this insurance without additional premium within 45 days prior to or during the Policy Period shown in the Declarations, the broadened coverage will immediately apply to this insurance.

k. Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate

(1) Loss Sustained Partly During This Insurance And Partly During Prior Insurance

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place:

- (a) Partly during the Policy Period shown in the Declarations; and

- (b) Partly during the Policy Period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest;

and this insurance became effective at the time of cancellation of the prior insurance, we will first settle the amount of loss that you sustained during this Policy Period. We will then settle the remaining amount of loss that you sustained during the Policy Period(s) of the prior insurance.

(2) Loss Sustained Entirely During Prior Insurance

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place entirely during the Policy Period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest, we will pay for the loss, provided:

- (a) This insurance became effective at the time of cancellation of the prior insurance; and
- (b) The loss would have been covered under this insurance had it been in effect at the time of the "occurrence".

We will first settle the amount of loss that you sustained during the most recent prior insurance. We will then settle any remaining amount of loss that you sustained during the Policy Period(s) of any other prior insurance.

(3) In settling loss subject to this Condition:

- (a) The most we will pay for the entire loss is the highest single Limit of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior insurance issued by us.

- (b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under this insurance. If no loss was sustained under this insurance, we will apply the Deductible Amount shown in the Declarations to the amount of loss sustained under the most recent prior insurance.

If the Deductible Amount is larger than the amount of loss sustained under this insurance, or the most recent prior insurance, we will apply the remaining Deductible Amount to the remaining amount of loss sustained during the prior insurance.

We will not apply any other Deductible Amount that may have been applicable to the loss.

- (4) The following examples demonstrate how we will settle losses subject to this Condition E.1.k.:**

EXAMPLE NO. 1:

The insured sustained a covered loss of \$10,000 resulting directly from an "occurrence" taking place during the terms of Policy A and Policy B.

POLICY A

The current policy. Written at a Limit of Insurance of \$50,000 and a Deductible Amount of \$5,000.

POLICY B

Issued prior to Policy A. Written at a Limit of Insurance of \$50,000 and a Deductible Amount of \$5,000.

The amount of loss sustained under Policy A is \$2,500 and under Policy B is \$7,500.

The highest single Limit of Insurance applicable to this entire loss is \$50,000 written under Policy A. The Policy A Deductible Amount of \$5,000 applies. The loss is settled as follows:

1. The amount of loss sustained under Policy **A** (\$2,500) is settled first. The amount we will pay is nil (\$0.00) because the amount of loss is less than the Deductible Amount (i.e., \$2,500 loss — \$5,000 deductible = \$0.00).
2. The remaining amount of loss sustained under Policy **B** (\$7,500) is settled next. The amount recoverable is \$5,000 after the remaining Deductible Amount from Policy **A** of \$2,500 is applied to the loss (i.e., \$7,500 loss — \$2,500 deductible = \$5,000).

The most we will pay for this loss is \$5,000.

EXAMPLE NO. 2:

The insured sustained a covered loss of \$250,000 resulting directly from an "occurrence" taking place during the terms of Policy **A** and Policy **B**.

POLICY A

The current policy. Written at a Limit of Insurance of \$125,000 and a Deductible Amount of \$10,000.

POLICY B

Issued prior to Policy **A**. Written at a Limit of Insurance of \$150,000 and a Deductible Amount of \$25,000.

The amount of loss sustained under Policy **A** is \$175,000 and under Policy **B** is \$75,000.

The highest single Limit of Insurance applicable to this entire loss is \$150,000 written under Policy **B**. The Policy **A** Deductible Amount of \$10,000 applies. The loss is settled as follows:

1. The amount of loss sustained under Policy **A** (\$175,000) is settled first. The amount we will pay is the Policy **A** Limit of \$125,000 because \$175,000 loss — \$10,000 deductible = \$165,000 which is greater than the \$125,000 policy limit.

2. The remaining amount of loss sustained under Policy **B** (\$75,000) is settled next. The amount we will pay is \$25,000 (i.e., \$150,000 Policy **B** limit — \$125,000 paid under Policy **A** = \$25,000).

The most we will pay for this loss is \$150,000.

EXAMPLE NO. 3:

The insured sustained a covered loss of \$2,000,000 resulting directly from an "occurrence" taking place during the terms of Policies **A**, **B**, **C** and **D**.

POLICY A

The current policy. Written at a Limit of Insurance of \$1,000,000 and a Deductible Amount of \$100,000.

POLICY B

Issued prior to Policy **A**. Written at a Limit of Insurance of \$750,000 and a Deductible Amount of \$75,000.

POLICY C

Issued prior to Policy **B**. Written at a Limit of Insurance of \$500,000 and a Deductible Amount of \$50,000.

POLICY D

Issued prior to Policy **C**. Written at a Limit of Insurance of \$500,000 and a Deductible Amount of \$50,000.

The amount of loss sustained under Policy **A** is \$350,000, under Policy **B** is \$250,000, under Policy **C** is \$600,000 and under Policy **D** is \$800,000.

The highest single Limit of Insurance applicable to this entire loss is \$1,000,000 written under Policy **A**. The Policy **A** Deductible Amount of \$100,000 applies. The loss is settled as follows:

1. The amount of loss sustained under Policy **A** (\$350,000) is settled first. The amount we will pay is \$250,000 (i.e., \$350,000 loss — 100,000 deductible = \$250,000).

2. The amount of loss sustained under Policy **B** (\$250,000) is settled next. The amount we will pay is \$250,000 (no deductible is applied).
3. The amount of loss sustained under Policy **C** (\$600,000) is settled next. The amount we will pay is \$500,000, the policy limit (no deductible is applied).
4. We will not make any further payment under Policy **D** as the maximum amount payable under the highest single Limit of Insurance applying to the loss of \$1,000,000 under Policy **A** has been satisfied.

The most we will pay for this loss is \$1,000,000.

I. Loss Sustained During Prior Insurance Not Issued By Us Or Any Affiliate

- (1) If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place during the Policy Period of any prior cancelled insurance that was issued to you or a predecessor in interest by another company, and the period of time to discover loss under that insurance had expired, we will pay for the loss under this insurance, provided:
 - (a) This insurance became effective at the time of cancellation of the prior insurance; and
 - (b) The loss would have been covered under this insurance had it been in effect at the time of the "occurrence".
- (2) In settling loss subject to this Condition:
 - (a) The most we will pay for the entire loss is the lesser of the Limits of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior cancelled insurance.

- (b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under the prior cancelled insurance.

(3) The insurance provided under this Condition is subject to the following:

- (a) If loss covered under this Condition is also partially covered under Condition **E.1.k.**, the amount recoverable under this Condition is part of, not in addition to, the amount recoverable under Condition **E.1.k.**
- (b) For loss covered under this Condition that is not subject to Paragraph **(3)(a)**, the amount recoverable under this Condition is part of, not in addition to, the Limit of Insurance applicable to the loss covered under this insurance and is limited to the lesser of the amount recoverable under:
 - (i) This insurance as of its effective date; or
 - (ii) The prior cancelled insurance had it remained in effect.

m. Other Insurance

If other valid and collectible insurance is available to you for loss covered under this insurance, our obligations are limited as follows:

(1) Primary Insurance

When this insurance is written as primary insurance, and:

- (a) You have other insurance subject to the same terms and conditions as this insurance, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit of Insurance shown in the Declarations bears to the total limit of all insurance covering the same loss.

(b) You have other insurance covering the same loss other than that described in Paragraph (1)(a), we will only pay for the amount of loss that exceeds:

(i) The Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not; or

(ii) The Deductible Amount shown in the Declarations;

whichever is greater. Our payment for loss is subject to the terms and conditions of this insurance.

(2) Excess Insurance

(a) When this insurance is written excess over other insurance, we will only pay for the amount of loss that exceeds the Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not. Our payment for loss is subject to the terms and conditions of this insurance.

(b) However, if loss covered under this insurance is subject to a Deductible, we will reduce the Deductible Amount shown in the Declarations by the sum total of all such other insurance plus any Deductible Amount applicable to that other insurance.

n. Ownership Of Property; Interests Covered

The property covered under this insurance is limited to property:

(1) That you own or lease; or

(2) That you hold for others whether or not you are legally liable for the loss of such property.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this insurance must be presented by you.

o. Records

You must keep records of all property covered under this insurance so we can verify the amount of any loss.

p. Recoveries

(1) Any recoveries, whether effected before or after any payment under this insurance, whether made by us or you, shall be applied net of the expense of such recovery:

(a) First, to you in satisfaction of your covered loss in excess of the amount paid under this insurance;

(b) Second, to us in satisfaction of amounts paid in settlement of your claim;

(c) Third, to you in satisfaction of any Deductible Amount; and

(d) Fourth, to you in satisfaction of any loss not covered under this insurance.

(2) Recoveries do not include any recovery:

(a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or

(b) Of original "securities" after duplicates of them have been issued.

q. Territory

This insurance covers loss that you sustain resulting directly from an "occurrence" taking place within the United States of America (including its territories and possessions), Puerto Rico and Canada.

r. Transfer Of Your Rights Of Recovery Against Others To Us

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

s. Valuation — Settlement

(1) The value of any loss for purposes of coverage under this policy shall be determined as follows:

(a) Loss of "money" but only up to and including its face value. We will, at your option, pay for loss of "money" issued by any country other than the United States of America:

(i) At face value in the "money" issued by that country; or

(ii) In the United States of America dollar equivalent determined by the rate of exchange published in The Wall Street Journal on the day the loss was "discovered".

(b) Loss of "securities" but only up to and including their value at the close of business on the day the loss was "discovered". We may, at our option:

(i) Pay the market value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or

(ii) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

i. Market value of the "securities" at the close of business on the day the loss was "discovered"; or

ii. The Limit of Insurance applicable to the "securities".

(c) Loss of or damage to "other property" or loss from damage to the "premises" or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:

(i) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose;

(ii) The amount you actually spend that is necessary to repair or replace the lost or damaged property; or

(iii) The Limit of Insurance applicable to the lost or damaged property.

With regard to Paragraphs **s.(1)(c)(i)** through **s.(1)(c)(iii)**, we will not pay on a replacement cost basis for any loss or damage:

i. Until the lost or damaged property is actually repaired or replaced; and

ii. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

(2) We will, at your option, settle loss or damage to property other than "money":

(a) In the "money" of the country in which the loss or damage occurred; or

(b) In the United States of America dollar equivalent of the "money" of the country in which the loss or damage occurred determined by the rate of exchange published in The Wall Street Journal on the day the loss was "discovered".

- (3) Any property that we pay for or replace becomes our property.

2. Conditions Applicable To Insuring Agreement A.1.

a. Termination As To Any Employee

This Insuring Agreement terminates as to any "employee":

- (1) As soon as:

(a) You; or

(b) Any of your partners, "members", "managers", officers, directors, or trustees not in collusion with the "employee";

learn of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

- (2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

b. Territory

We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory Condition **E.1.q.** for a period of not more than 90 consecutive days.

3. Conditions Applicable To Insuring Agreement A.2.

a. Deductible Amount

The Deductible Amount does not apply to legal expenses paid under Insuring Agreement **A.2.**

b. Electronic And Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

c. Proof Of Loss

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

d. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition **E.1.q.** does not apply to Insuring Agreement **A.2.**

4. Conditions Applicable To Insuring Agreements A.4. And A.5.

a. Armored Motor Vehicle Companies

Under Insuring Agreement **A.5.**, we will only pay for the amount of loss you cannot recover:

- (1) Under your contract with the armored motor vehicle company; and
- (2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

b. Special Limit Of Insurance For Specified Property

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to:

- (1) Precious metals, precious or semi-precious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or
- (2) Manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

5. Conditions Applicable To Insuring Agreement A.6.

a. Special Limit Of Insurance For Specified Property

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

b. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition E.1.q. does not apply to Insuring Agreement A.6.

F. Definitions

1. "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
2. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.
3. "Custodian" means you, or any of your partners or "members", or any "employee" while having care and custody of property inside the "premises", excluding any person while acting as a "watchperson" or janitor.
4. "Discover" or "discovered" means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.

"Discover" or "discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this insurance

5. "Employee":**a. "Employee" means:****(1) Any natural person:**

- (a) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any dishonest act committed by the "employee";
- (b) Who you compensate directly by salary, wages or commissions; and
- (c) Who you have the right to direct and control while performing services for you;

(2) Any natural person who is furnished temporarily to you:

(a) To substitute for a permanent "employee" as defined in Paragraph a.(1), who is on leave; or

(b) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises";

(3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph a.(2);**(4) Any natural person who is:**

- (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; and
- (b) A director or trustee of yours while that person is engaged in handling "funds" or "other property" of any "employee benefit plan";

(5) Any natural person who is a former "employee", partner, "member", "manager", director or trustee retained as a consultant while performing services for you;**(6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises";****(7) Any "employee" of an entity merged or consolidated with you prior to the effective date of this policy; or**

(8) Any of your "managers", directors or trustees while:

(a) Performing acts within the scope of the usual duties of an "employee"; or

(b) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.

b. "Employee" does not mean:

Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph 5.a.

6. "Employee benefit plan" means any welfare or pension benefit plan shown in the Declarations that you sponsor and which is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.

7. "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

8. "Fraudulent instruction" means:

a. An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;

b. A written instruction (other than those described in Insuring Agreement A.2.) issued by you, which was forged or altered by someone other than you without your knowledge or consent, or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or

c. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an "employee" but which was in fact fraudulently transmitted by someone else without your or the "employee's" knowledge or consent.

9. "Funds" means "money" and "securities".

10. "Manager" means a person serving in a directorial capacity for a limited liability company.

11. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".

12. "Messenger" means you, or a relative of yours, or any of your partners or "members", or any "employee" while having care and custody of property outside the "premises".

13. "Money" means:

a. Currency, coins and bank notes in current use and having a face value; and

b. Travelers checks, register checks and money orders held for sale to the public.

14. "Occurrence" means:

a. Under Insuring Agreement A.1.:

(1) An individual act;

(2) The combined total of all separate acts whether or not related; or

(3) A series of acts whether or not related;

committed by an "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, except as provided under Condition E.1.k. or E.1.l.

b. Under Insuring Agreement A.2.:

(1) An individual act;

(2) The combined total of all separate acts whether or not related; or

(3) A series of acts whether or not related;

committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.k.** or **E.1.l.**

c. Under All Other Insuring Agreements:**(1) An individual act or event;****(2) The combined total of all separate acts or events whether or not related; or****(3) A series of acts or events whether or not related;**

committed by a person acting alone or in collusion with other persons, or not committed by any person, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.k.** or **E.1.l.**

15. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include computer programs, electronic data or any property specifically excluded under this insurance.

16. "Premises" means the interior of that portion of any building you occupy in conducting your business.

17. "Robbery" means the unlawful taking of property from the care and custody of a person by one who has:

a. Caused or threatened to cause that person bodily harm; or

b. Committed an obviously unlawful act witnessed by that person.

18. "Safe burglary" means the unlawful taking of:

a. Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or

b. A safe or vault from inside the "premises".

19. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or property and includes:

a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

20. "Theft" means the unlawful taking of property to the deprivation of the Insured.

21. "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "funds":

a. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or

b. By means of written instructions (other than those described in Insuring Agreement **A.2.**) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

22. "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

WISCONSIN CHANGESCOMMERCIAL CRIME
CR 01 06 07 02**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM
GOVERNMENT CRIME COVERAGE FORM
KIDNAP/RANSOM AND EXTORTION COVERAGE FORM

- A.** Under the Commercial Crime Coverage Form and Government Crime Coverage Form, the following is added to Paragraph **(3)** of the **Duties In The Event Of Loss** Condition:

If you file proof of loss as soon as possible and within one year after the time limit, your failure to file proof of loss within the time limit will not invalidate or reduce any claim by you unless we are prejudiced by that failure and it was reasonably possible to meet the time limit.

- B.** Under the Kidnap/Ransom And Extortion Coverage Form, the following is added to the **Duties In The Event Of An Occurrence** Condition:

If you file proof of loss as soon as possible and within one year after the time limit, your failure to file proof of loss within the limit will not invalidate or reduce any claim by you unless we are prejudiced by that failure and it was reasonably possible to meet the time limit.

- C.** Under the Commercial Crime Coverage Form and Government Crime Coverage Form, the **Legal Action Against Us** Condition is replaced by the following:

LEGAL ACTION AGAINST US

You may not bring any legal action against us involving loss:

1. Until 60 days after you have filed proof of loss with us; and
2. Unless brought within 2 years from the date you discover the loss.

- D.** Under the Kidnap/Ransom And Extortion Coverage Form the **Legal Action Against Us** Condition is replaced by the following:

LEGAL ACTION AGAINST US

You may not bring any legal action against us involving loss:

1. Until 60 days after you have filed proof of loss with us; and

2. Unless brought within 2 years from the date you reported the loss to us.

- E.** The following is added to the **Transfer Of Your Rights Of Recovery Against Others To Us** Condition:

We will be entitled to a recovery only after you have been fully compensated for damages.

- F.** The following are added to Section **E. Conditions**:

1. Knowledge And Acts Of Agents

- a. If any of our agents knows any fact that breaches a condition of this insurance, we will be considered to know it also if that fact:

- (1) Is known to the agent at the time the insurance is issued or an application made; or

- (2) Later becomes known to the agent in the course of his or her dealings as an agent with you.

- b. Any fact that breaches a condition of this insurance and is known to the agent before the loss will not:

- (1) Void this insurance; or

- (2) Prevent a recovery in the event of loss.

2. Conformity To Statute Or Rule

Any provision of this Coverage Part (including endorsements which modify the Coverage Part) that is in conflict with a Wisconsin statute or rule is hereby amended to conform to that statute or rule.

The term rule means a valid rule promulgated by the Commissioner of Insurance in accordance with the rule-making authority conferred under Wis. Stat. Ann. Section 227.11(2) and published in the Wisconsin Administrative Code.

WISCONSIN CHANGES

CRIME AND FIDELITY
CR 02 45 11 18

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME POLICY
GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY
KIDNAP/RANSOM AND EXTORTION POLICY

A. Paragraph (2) of the Cancellation Of Policy Condition is replaced by the following:

- (2)** We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least 10 days before the effective date of cancellation.

If this Policy has been in effect for less than 60 days and is not a renewal policy, we may cancel for any reason.

If this Policy has been in effect for 60 days or more or is a renewal of a policy we issued, except as provided in Paragraph **B.(7)**, we may cancel this Policy only for one or more of the following reasons:

- (a)** The Policy was obtained by material misrepresentation;
- (b)** There has been a substantial change in the risk we originally assumed, except to the extent that we should have foreseen the change or considered the risk in writing the Policy;
- (c)** There have been substantial breaches of contractual duties, conditions or warranties; or
- (d)** Nonpayment of premium.

If this Policy has been in effect for 60 days or more or is a renewal of a policy we issued, the notice of cancellation will state the reason for cancellation.

B. The following is added to the Cancellation Of Policy Condition:

(7) Anniversary Cancellation

If this Policy is written for a term of more than one year or has no fixed expiration date, we may cancel this Policy for any reason by mailing or delivering to the first Named Insured written notice of cancellation at least 60 days before the anniversary date of the Policy. Such cancellation will be effective on the Policy's anniversary date.

We may cancel this Policy because of the termination of an insurance marketing intermediary's contract with us only if the notice of cancellation contains an offer to continue the Policy with us if we receive a written request from the first Named Insured prior to the date of cancellation.

C. Rescission Of Policy

- 1.** We may rescind this Policy because of the following:
 - a.** Misrepresentation made by you or on your behalf in the negotiation for or procurement of this Policy if the person knew or should have known that the representation was false;
 - b.** Breach of affirmative warranty made by you or on your behalf in the negotiation for or procurement of this Policy;
 - c.** Failure of a condition before a loss if such failure exists at the time of loss; or
 - d.** Breach of a promissory warranty if such breach exists at the time of loss.

2. We may not rescind this Policy:

a. For the reasons in Paragraphs C.1.a. and C.1.b. unless:

- (1) We rely on the misrepresentation or affirmative warranty and the misrepresentation or affirmative warranty is either material or made with intent to deceive; or
- (2) The facts misrepresented or falsely warranted contribute to the loss.

b. For the reasons in Paragraphs C.1.c. and C.1.d. unless such failure or breach:

- (1) Increases the risk at the time of loss; or
- (2) Contributes to the loss.

3. If we elect to rescind this Policy, we will notify the first Named Insured of our intention within 60 days after acquiring knowledge of sufficient facts to constitute grounds for rescission.

D. The following are added and supersede any other provisions to the contrary:

1. Nonrenewal

- a.** If we elect not to renew this Policy, we will mail or deliver written notice of nonrenewal to the first Named Insured's last mailing address known to us. We may elect not to renew for any reason; the notice will state the reason for nonrenewal. We will mail or deliver the notice at least 60 days before the expiration date of this Policy.

We need not mail or deliver the notice if:

- (1) You have insured elsewhere;
- (2) You have accepted replacement coverage;
- (3) You have requested or agreed to nonrenewal of this Policy;
- (4) This Policy is renewed in an affiliate in compliance with WIS. STAT. SECTION 631.39; or
- (5) This Policy is expressly designated as nonrenewable.

- b.** We may refuse to renew this Policy because of the termination of an insurance marketing intermediary's contract with us only if the notice of nonrenewal contains an offer to renew the Policy with us if we receive a written request from the first Named Insured prior to the renewal date.

- c.** If you fail to pay the renewal or continuation premium by the premium due date, this Policy will terminate on the Policy expiration or anniversary date if we have:

- (1) Given you written notice of the renewal or continuation premium not more than 75 days nor less than 10 days prior to the due date of the premium; and
- (2) Stated clearly in the notice the effect of nonpayment of premium by the due date.

2. Anniversary Alteration

If this Policy is written for a term of more than one year or has no fixed expiration date, we may alter the terms or premiums of this Policy by mailing or delivering written notice of less favorable terms or premiums to the first Named Insured's last mailing address known to us. We will mail, by first-class mail, or deliver this notice at least 60 days prior to the anniversary date.

If we notify the first Named Insured within 60 days prior to the anniversary date, the new terms or premiums will not take effect until 60 days after the notice was mailed or delivered. The notice will include a statement of the first Named Insured's right to cancel. The first Named Insured may elect to cancel the Policy at any time during the 60-day period, in accordance with Paragraph (1) of the Cancellation Of Policy Condition. If the first Named Insured elects to cancel the Policy during the 60-day period, return premiums or additional premium charges will be calculated proportionately on the basis of the old premiums.

3. Renewal With Altered Terms

If we elect to renew this Policy but on less favorable terms or at higher premiums, we will mail or deliver written notice of the new terms or premiums to the first Named Insured's last mailing address known to us. We will mail, by first-class mail, or deliver this notice at least 60 days prior to the renewal date.

If we notify the first Named Insured within 60 days prior to the renewal date, the new terms or premiums will not take effect until 60 days after the notice was mailed or delivered. The notice will include a statement of the first Named Insured's right to cancel. The first Named Insured may elect to cancel the renewal policy at any time during the 60-day period, in accordance with Paragraph (1) of the Cancellation Of Policy Condition. If the first Named Insured elects to cancel the renewal policy during the 60-day period, return premiums or additional premium charges will be calculated proportionately on the basis of the old premiums.

We need not mail or deliver this notice if the only change adverse to you is a premium increase that:

- a. Is less than 25% and is generally applicable to the class of business to which this Policy belongs; or
 - b. Results from a change based on your action that alters the nature or extent of the risk insured against, including but not limited to a change in the classification or the units of exposure, or increased policy coverage.
- E. Under the Commercial Crime Policy, Government Crime Policy, Employee Theft And Forgery Policy and Government Employee Theft And Forgery Policy, the following is added to Paragraph (2) of the **Duties In The Event Of Loss** Condition:
- If you file proof of loss as soon as possible and within one year after the time limit, your failure to file proof of loss within the time limit will not invalidate or reduce any claim by you unless we are prejudiced by that failure and it was reasonably possible to meet the time limit.
- F. Under the Kidnap/Ransom And Extortion Policy, the following is added to the **Duties In The Event Of An Occurrence** Condition:
- If you file proof of loss as soon as possible and within one year after the time limit, your failure to file proof of loss within the limit will not invalidate or reduce any claim by you unless we are prejudiced by that failure and it was reasonably possible to meet the time limit.

- G. Under the Commercial Crime Policy, Government Crime Policy, Employee Theft And Forgery Policy and Government Employee Theft And Forgery Policy, the **Legal Action Against Us** Condition is replaced by the following:

Legal Action Against Us

You may not bring any legal action against us involving loss:

- (1) Until 60 days after you have filed proof of loss with us; and
- (2) Unless brought within two years from the date you "discover" the loss.

- H. Under the Kidnap/Ransom And Extortion Policy, the **Legal Action Against Us** Condition is replaced by the following:

Legal Action Against Us

You may not bring any legal action against us involving loss:

1. Until 60 days after you have filed proof of loss with us; and
2. Unless brought within two years from the date you reported the loss.

- I. The following is added to the **Transfer Of Your Rights Of Recovery Against Others To Us** Condition:

We will be entitled to a recovery only after you have been fully compensated for damages.

- J. The following are added to Paragraph E. **Conditions**:

1. Knowledge And Acts Of Agents

- a. If any of our agents knows any fact that breaches a condition of this Policy, we will be considered to know it also if that fact:

- (1) Is known to the agent at the time the Policy is issued or an application made; or
- (2) Later becomes known to the agent in the course of his or her dealings as an agent with you.

- b. Any fact that breaches a condition of this insurance and is known to the agent before the loss will not:

- (1) Void this Policy; or
- (2) Prevent a recovery in the event of loss.

2. Conformity To Statute Or Rule

Any provision of this Policy (including endorsements which modify this Policy) that is in conflict with a Wisconsin statute or rule is hereby amended to conform to that statute or rule.

The term rule means a valid rule promulgated by the Commissioner of Insurance in accordance with the rule-making authority conferred under Wis. Stat. Ann. Section 227.11(2) and published in the Wisconsin Administrative Code.

ERISA-INFLATION GUARD**COMMERCIAL CRIME
CR 70 36 01 16****THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY

If at the inception of this policy you have a Limit of Insurance for your "employee benefit plan(s)" that is equal to or greater than that required by ERISA, we agree to automatically increase that Limit of Insurance, to equal the amount required by ERISA at the time you incur the loss, subject to the Other Insurance condition contained in the coverage form. However, in no event shall the overall Limit of Insurance, including the insurance provided by this increase endorsement, exceed the statutory maximum Limit of Insurance required by ERISA for any plan.

COMPUTER FRAUD ADDITIONAL EXCLUSIONS

CRIME AND FIDELITY
CR 79 13 01 09

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY

DOCUMENT GENERATION

Loss resulting from the use of a computer to generate counterfeit, misleading or other documents used to facilitate or aid in fraudulently causing a transfer of "money", "securities" or "other property".

PHISHING

Loss resulting from the use of information obtained from an insured by deception, through the use or aid of a computer.

Manufacturers Crime ElitePac® Endorsement

CRIME AND FIDELITY
CR 79 27 01 16

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM GOVERNMENT CRIME COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

The Crime Coverage Form made a part of this policy is amended as follows:

A. Coverage is provided only for the following Insuring Agreements:

1. Employee Theft with a limit of \$100,000 or the limit shown in the Declarations.
2. Forgery Or Alteration with a limit of \$100,000 or the limit shown in the Declarations.
3. Inside The Premises - Theft of Money and Securities with a limit of \$25,000 or the limit shown in the Declarations.
4. Inside The Premises - Robbery Or Safe Burglary Of Other Property with a limit of \$25,000 or the limit shown in the Declarations.
5. Outside The Premises with a limit of \$25,000 or the limit shown in the Declarations.
6. Computer Fraud with a limit of \$10,000 or the limit shown in the Declarations.

B. Under Section **E. Conditions**, the first paragraph of the Employee Benefits Plans condition is deleted and replaced by the following:

- (1) The "employee benefit plans" shown in the Declarations or that are wholly owned and operated by you for the sole benefit of your "employees" (hereafter referred to as Plan) are included as insureds under the Employee Theft Insuring Agreement.

C. Under Section **F. Definitions** of the Commercial Crime Coverage Form, the "employee benefits plan" definition is deleted and replaced by the following:

"Employee benefit plan" means any welfare or pension benefit plan:

- a. Shown in the Declarations that you sponsor; or
- b. That are wholly owned and operated by you for the sole benefit of your "employees"

and which is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.

U.S. DEPARTMENT OF LABOR — ERISA PLAN COVERAGE AMENDMENTS

CRIME AND FIDELITY
SCR 25 47 09 17

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY

With regard to coverage provided for "employee benefit plans", the provisions of the Coverage Form or Policy to which this endorsement is attached apply, unless modified by this endorsement.

A. Under Section D. Exclusions:

1. In Section D.1.:

- a. The **Acts Committed By You, Your Partners Or Your Members** Exclusion is replaced by the following:

Acts Committed By You, Your Partners Or Your Members

Loss resulting from "theft" or any other dishonest or fraudulent act committed by:

- (1) You; or
- (2) Any of your partners or "members"; whether acting alone or in collusion with other persons, except while handling "money", "securities" or "other property" of an "employee benefit plan".

- c. & d. The **Confidential Information** Exclusion is replaced by the following:

Confidential Or Personal Information

Loss resulting from:

- (1) The disclosure or use of another person's or organization's confidential or personal information, except as provided in Paragraph (2).
- (2) The disclosure of your or an "employee benefit plan" participant's confidential or personal information. However, this Paragraph (2) does not apply to loss otherwise covered under Insuring Agreement A.1. that results directly from the use of your or an "employee benefit plan" participant's confidential or personal information.

For the purposes of this exclusion, confidential or personal information includes, but is not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, retirement or health savings account information or any other type of nonpublic information.

2. In Section D.2.:

- b. The **Trading** Exclusion is deleted.
- c. The **Warehouse Receipts** Exclusion is deleted.

- B. Paragraph (3) of the **Employee Benefit Plans** Condition is replaced by the following:

- (3) With respect to loss sustained or "discovered" by any such Plan, Insuring Agreement A.1. is replaced by the following:

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from fraudulent or dishonest acts committed by an "employee" whether identified or not, sole proprietor, partner or "member" acting alone or in collusion with other persons while such "employee", sole proprietor, partner or "member" is handling "money", "securities" or "other property" of an "employee benefit plan".

- C. Paragraph a. of the definition of "occurrence" is replaced by the following:

- a. Under Insuring Agreement A.1.:

- (1) An individual act;
- (2) The combined total of all separate acts whether or not related; or
- (3) A series of acts whether or not related; committed by an "employee", sole proprietor, partner or "member" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, before such Policy Period or both.

EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE DECLARATIONS

THIS INSURANCE PROVIDES CLAIMS MADE AND REPORTED COVERAGE. DEFENSE COSTS APPLY AGAINST THE LIMITS OF INSURANCE AND ARE SUBJECT TO THE DEDUCTIBLE.

THIS INSURANCE CONSISTS OF THIS DECLARATIONS PAGE, THE EMPLOYMENT PRACTICES LIABILITY COVERAGE, AND ANY ENDORSEMENTS LISTED IN ITEM 9. BELOW.

EXCEPT FOR THE GENERAL CONDITIONS AND LIMITATIONS, OR UNLESS STATED TO THE CONTRARY IN ANY COVERAGE PART, THE TERMS AND CONDITIONS OF EACH COVERAGE PART OF THIS POLICY APPLY ONLY TO THAT COVERAGE PART AND SHALL NOT APPLY TO ANY OTHER COVERAGE PART OF THIS POLICY. ANY TERM REFERENCED IN THE GENERAL CONDITIONS AND LIMITATIONS, WHICH IS DEFINED IN A COVERAGE PART, SHALL, FOR THE PURPOSES OF COVERAGE UNDER THAT COVERAGE PART, HAVE THE MEANING SET FORTH IN THAT COVERAGE PART. IF ANY PROVISION IN THE GENERAL CONDITIONS AND LIMITATIONS IS INCONSISTENT OR IN CONFLICT WITH THE TERMS AND CONDITIONS OF ANY COVERAGE PART, THE TERMS AND CONDITIONS OF SUCH COVERAGE PART SHALL CONTROL FOR PURPOSES OF THAT COVERAGE PART.

Company Name: SELECTIVE INSURANCE COMPANY OF THE SOUTHEAST

Producer Name: BWO INSURANCE GROUP LLC

00-48213-00000

Item 1. and Item 2.

Named Insured and Address

SEE COMMERCIAL POLICY COMMON DECLARATION: IL-7025

Item 3.

Policy Period:

From: DECEMBER 14, 2019

To: DECEMBER 14, 2020

12:01 A.M Standard Time At
"your" Mailing Address Above.

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE APPLICABLE
TERMS OF THIS COVERAGE, WE AGREE WITH YOU TO PROVIDE THE INSURANCE COVERAGE
STATED IN THIS POLICY.**

Item 4.

Limits of Insurance:	Aggregate Limit:	\$100,000
	Each "Claim" Limit:	\$100,000
	Prior Acts Aggregate Limit:	NOT COVERED
	Prior Acts Each "Claim" Limit:	NOT COVERED

Item 5.

Deductible: \$5,000 **Each "Claim"**

Item 6.

Retroactive Date: NOVEMBER 30, 2019

Prior Acts Date: NOT COVERED

Item 7.

Form of Business: OTHER

Item 8.

Premium: \$619.00

Item 9.

Endorsements Attached to this Coverage:

REFER TO "COMMERCIAL POLICY FORMS AND ENDORSEMENT SCHEDULE"

COUNTERSIGNED BY: _____ **DATE:** _____

(Authorized Representative)

EMPLOYMENT PRACTICES LIABILITY
EPL 00 01 09 18

THIS INSURANCE PROVIDES CLAIMS MADE AND REPORTED COVERAGE. DEFENSE COSTS APPLY AGAINST THE LIMITS OF INSURANCE AND ARE SUBJECT TO THE DEDUCTIBLE.

PLEASE READ THIS POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE, EXCLUSIONS AND COVERAGE RESTRICTIONS.

WE HAVE NO DUTY TO PROVIDE COVERAGE UNLESS THERE HAS BEEN FULL COMPLIANCE WITH ALL THE CONDITIONS, SECTION V AND ANY OTHER APPLICABLE COVERAGE CONDITIONS.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the Company providing this insurance. The word "insured" means any person or organization qualifying as such under **SECTION II — WHO IS AN INSURED.**

All words and phrases that appear in quotation marks have special meaning. Refer to **SECTION VII — DEFINITIONS.**

SECTION I — COVERAGE

A. Insuring Agreement

1. We will pay on behalf of the insured those sums the insured becomes legally obligated to pay as "damages" arising out of any "employment practices" to which this insurance applies.
2. This insurance applies to such "damages" only if:
 - (a) The "damages" result from "claims" made by "employees", "leased workers", "temporary workers", former "employees" or applicants for employment by you;
 - (b) The "employment practices" take place in the "coverage territory";
 - (c) Such "employment practices" occurred after the Retroactive Date, if any, shown in the Declarations and before the end of the policy period; and
 - (d) A "claim" is both:
 - (1) First made against any insured, in accordance with Paragraph 3. below, during the policy period or any Extended Reporting Period we provide under **SECTION VI — EXTENDED REPORTING PERIODS**; and
 - (2) Reported to us either (i) during the policy period or within thirty (30) days thereafter; or (ii) with respect to any "claim" first made during any Extended Reporting Period we provide under **SECTION VI — EXTENDED REPORTING PERIODS**, during such Extended Reporting Period.

3. A "claim" will be deemed to have been made at the earlier of the following times:

- (a) When notice of such "claim" is received and recorded by you or by us, whichever comes first; or
- (b) When the insured informs us of a circumstance or incident occurring during the policy period, but before a "claim" is made.

4. All "claims" for "damages" based on or arising out of:

- (a) One "employment practice"; or
- (b) An "interrelated" series of "employment practices";

by one or more insureds shall be deemed to be one "claim" and to have been made at the time the first of those "claims" is made against any insured.

Each payment we make for "damages" or "defense expenses" reduces the Amount of Insurance available, as provided under **SECTION III — LIMITS OF INSURANCE.**

B. Defense of Claims, Administrative Hearings & Settlement Authority

1. We have the right and duty to defend "claims" against the insured seeking "damages" to which this insurance applies and to pay for related "defense expense." However, we have no duty to (i) defend "claims" against the insured seeking "damages"; or (ii) pay for related "defense expenses", when this insurance does not apply. We may, at our sole discretion:
 - (a) Investigate any "employment practice" that may result in "damages"; and

(b) Settle any "claim" which may result, provided:

- (1) We have the insured's written consent to settle; and
- (2) The settlement is within the applicable Limit of Insurance available.

2. We will not settle any "claim" or suit without the written consent of the first Named Insured. If the first Named Insured refuses to consent to a settlement that is acceptable to the claimant and is recommended by us, subject to the applicable Limit of Liability and Deductible set forth in the Declarations, we will only pay the amount of the original settlement recommended by us and acceptable to the claimant plus eighty percent (80%) of all further "damages and "defense costs" incurred by an insured for such "claim" or suit after the date of such refusal of the consent to settle.
3. Our right and duty to defend such "claims" ends when we have exhausted the Limit of Insurance available, as provided under **SECTION III — LIMITS OF INSURANCE**. This applies both to "claims" pending at that time and any that may be made after the limits have been exhausted.

4. (a) When we control defense of a "claim", we will pay associated "defense expenses" and choose a counsel of our choice from the panel of attorneys we have selected to deal with "employment practices" "claims".

If you give us a specific written request at the time a "claim" is first made:

- (1) You or any involved insured may select one of our panel of employment law attorneys; or
- (2) You or such insured may ask us to consider the approval of a defense attorney of your or that insured's choice who is not on our panel.

We will then use the attorney selected in (1) above, or consider the request in (2) above, if we deem it appropriate to engage counsel for such "claim".

- (b) If by mutual agreement or court order the insured assumes control of the defense before the applicable Limit of Insurance is exhausted, the insured will be allowed to select defense counsel and we will reimburse the insured for reasonable "defense expenses". You and any involved insured must continue to comply with **SECTION V — CONDITIONS, D. Duties in Event of "Employment Practices" or "Claims"**. Additionally, you or such insured must direct defense counsel to:

- (1) Furnish us with the additional information we request to evaluate the "employment practices" or "claim"; and

- (2) Cooperate with any counsel we may select to monitor or associate in the defense of the "employment practices" or "claim."

If we defend any insured under a reservation of rights, insured's counsel and our counsel will be required to maintain records pertinent to "defense expenses". These records will be used to determine the allocation of any "defense expenses" for which you or any insured may be solely responsible, including defense of an allegation not covered by this insurance.

We will notify you in writing when the applicable limit of insurance has been exhausted by the payment of judgments, settlements, or "defense expenses". We will also initiate and cooperate in the transfer of defense of any "claim" to an appropriate insured for whom the duty to defend has ended by reason of **SECTION I — Paragraph B.3.** above.

5. Upon notice to us and with our prior approval, the first Named Insured is authorized to act on behalf of all insureds with respect to the payment of "damages" in settlement of any Administrative Hearing or other non-judicial proceeding before the Federal Equal Employment Opportunity Commission, or any similar Federal, state or local body or commission. This authorization is limited to (i) "damages" covered by this policy; together with (ii) "defense expenses", as defined in Paragraph **E.** in **SECTION VII — DEFINITIONS**, in a total amount not to exceed two times the amount of the Deductible stated in the Declarations.

C. Exclusions

This insurance does not apply to "claims" based on, arising out of, or in any way involving:

1. (a) "Employment practices" which were the subject of any demand, suit or other proceeding which was initiated against any insured; or
- (b) Facts and circumstances which would cause a reasonable person to believe a "claim" would be made and which were known to any insured;

prior to the effective date of the earlier of (i) the first policy of this type that we or our affiliate issued to you for which this policy was an uninterrupted renewal of this type of coverage; or (ii) this policy.

2. Loss of any benefit conferred or loss of any obligation imposed under an express contract of employment.
3. Any obligation to pay "damages" by reason of the assumption of liability in any contract or agreement. This exclusion does not apply to liability for "damages" that the insured would have in the absence of the contract or agreement.

4. Liability arising under any of the following laws:

- (a)** Any workers compensation, disability benefits or unemployment compensation law, or any similar law, provided however, this exclusion shall not apply to any "claim" based upon, arising from or in consequence of any actual or alleged retaliatory treatment of the claimant by the Insured on account of the claimant's exercise of rights pursuant to any such law;
- (b)** Employees' Retirement Income Security Act of 1974, Public Law 93-406, (ERISA) as now or hereafter amended, or any similar state or other governmental law. This includes fiduciary liability, liability arising out of the administration of any employee benefit plan and any other liability under any such laws;
- (c)** The Fair Labor Standards Act, or any state or common law wage or hour law, including, but not limited to laws governing minimum wages, hours worked, overtime compensation, and including any recordkeeping and reporting related thereto. This exclusion includes actions or claims brought by or on behalf of individuals or agencies seeking wages, fines, penalties, taxes, disgorgement, or other affirmative relief or compensation, but does not include claims based on the Equal Pay Act, or retaliation; or
- (d)** The National Labor Relations Act of 1938, the Worker Adjustment and Retraining Notification Act (Public Law 100-379), the Consolidated Omnibus Budget Reconciliation Act of 1985, or the Occupational Safety and Health Act.

This Exclusion **4.(a)** through **4.(d)** also applies to any rules or regulations promulgated under any of the foregoing and amendments thereto or any similar provisions of any federal, state or local law, and to that part of any "damages" awarded for the cost or replacement of any insurance benefits due or alleged to be due to any current or former "employee".

- 5. Oral or written publication of material, if such material:**
 - (a)** Was published by or at the direction of the insured with knowledge of the material's falsity; or
 - (b)** Was first published before the Retroactive Date, if any, shown in the Declarations.
- 6. Dishonest, criminal or fraudulent acts of the insured or the willful failure by the insured or with the insured's consent to comply with any law or any governmental or administrative order or regulation relating to "employment practices".**

Willful, as used in this Exclusion **6.**, means acting with intentional or reckless disregard for such employment related laws, orders or regulations.

The enforcement of this exclusion against any insured shall not be imputed to any other insured.

- 7. "Bodily injury".**
- 8. "Employment practices" which occur when or after:**
 - (a)** You file for or are placed in any bankruptcy, receivership, liquidation or reorganization proceeding; or
 - (b)** Any other business entity acquires an ownership interest in you, which is greater than fifty percent.
- 9. Costs of complying with physical modifications to your premises or any changes to your usual business operations as mandated by the Americans with Disabilities Act of 1990 including any amendment thereto, or any similar federal, state or local law.**
- 10. Lockout, strike, picket line, related worker replacements or other similar actions resulting from labor disputes or labor negotiations.**

SECTION II — WHO IS AN INSURED

- A. For purposes of this insurance, if you are designated in the Declarations as:**
 - 1. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.**
 - 2. A partnership or joint venture, you are an insured. Your current or former members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.**
 - 3. A limited liability company, you are an insured. Your current or former members are also insureds, but only with respect to the conduct of your business. Your current or former managers are insureds, but only with respect to their duties as your managers.**
 - 4. An organization other than a partnership or joint venture, you are an insured. Your current or former directors are insureds, but only with respect to their duties as your directors.**
- B. Your current or former "employees" are also insureds, but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.**

- C. Any heirs, executors, administrators, assignees or legal representatives of any individual insured in Subparagraphs **A.1.**, **A.2.** and **B.** above, in the event of the death, bankruptcy or incapacity of such insured, shall be insureds, but only to the extent this insurance would have been available to such insured but for their death, bankruptcy or incapacity.
- D. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
1. You must provide us notice of such acquisition or formation within 30 days of the effective date of your acquisition or formation;
 2. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 3. Coverage does not apply to any "employment practices" that occurred before you acquired or formed the organization; and
 4. You must pay us any additional premium due as a condition precedent to the enforceability of this additional extension of coverage.

This Paragraph **D.** does not apply to any organization after it is shown in the Declarations.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III — LIMITS OF INSURANCE

- A. The Amount of Insurance stated as the Aggregate Limit on the Declarations is the most we will pay for the sum of:
1. "Damages" for all "claims" arising out of any actual or alleged "employment practices" covered by this insurance; and
 2. "Defense expenses" for all "claims" seeking "damages" payable under Paragraph **1.** above.
- Each payment we make for such "damages" or "defense expenses" reduces the Aggregate Limit by the amount of the payment.
- This reduced limit will then be the Amount of Insurance available for further "damages" and "defense expenses" under this policy.
- B. Subject to Paragraph **A.** above, the Amount of Insurance stated as the Each "claim" Limit of Insurance is the most we will pay in excess of the Deductible as further described in **SECTION IV — DEDUCTIBLE** for the sum of:
1. "Damages" for injury arising from "employment practices" covered by this insurance arising out of one "claim" whether such "claim" is brought by one or more claimants; and

2. "Defense expenses" associated with that specific "claim" in Item **B.1.** immediately preceding.

- C. In addition to the payments for "damages" and "defense expenses" in Paragraphs **A.** and **B.** above, we will also pay all interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the amount available for the judgment under the provisions of Paragraphs **A.** and **B.** above.

The Limits of Insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV — DEDUCTIBLE

- A. A deductible applies to all "damages" for injury arising from "employment practices" and any "defense expenses" however caused.
- B. Our obligation under this Employment Practices Liability Insurance to pay "damages" and "defense expenses" on behalf of any insured applies only to the sum of the amount of "damages" and "defense expenses" for any one "claim" which are in excess of the deductible amount stated in Item **5.** of the Declarations.
- C. Your obligation is to pay the deductible applicable to each "claim" made against this insurance. That deductible applies to the sum of all "damages" because of injury arising from "employment practices" paid for any one "claim" and applicable "defense expenses" associated therewith. If there should be no "damages" paid for a "claim", you are still obligated to pay the applicable deductible for any "defense expenses" incurred by us in connection with that "claim".
- D. The terms of this insurance apply irrespective of the application of the deductible, including those with respect to:
- a. Our right and duty to defend any "claims" seeking those "damages"; and
 - b. Your and any involved insured's duties in the event of a "claim".
- E. We may pay any part or all of the deductible to effect settlement of any "claim" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible as we may have paid for "damages" or "defense expenses".
- F. The application of the deductible does not reduce the applicable Limits of Insurance.

SECTION V — CONDITIONS**A. Bankruptcy**

Subject to Exclusion **8.(a)**, the bankruptcy, insolvency or dissolution of the insured or of the insured's estate will not relieve us of our obligations under this policy.

B. Liberalization Clause

If we revise this policy to provide more coverage without an associated additional premium charge and, if such revision is approved by the applicable Insurance Regulatory Authority, subject to our filed company rules, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

C. Duties in the Event of "Employment Practices" or "Claims"

1. You must see to it that we are notified as soon as practicable of any specific "employment practices" which you believe may result in an actual "claim". Your belief must be reasonably certain as the result of specific allegations made by a potential claimant or such potential claimant's representative, or as the result of specifically identifiable injury sustained by a potential claimant. Notices of "employment practices" should include the following detailed information:

- (a) How, when and where such "employment practices" took place;
- (b) The names and addresses of any potential claimants and witnesses; and
- (c) The nature of any injury arising out of such "employment practices".

Notice of such "employment practices" is not notice of a "claim", but preserves any insured's rights to future coverage for subsequent "claims" arising out of such "employment practices" as described in the Basic Extended Reporting Period of **SECTION VI — EXTENDED REPORTING PERIODS**.

2. If a "claim" is received by any insured:

- (a) You must immediately record the specifics of the "claim" and the date received;
- (b) You and any other involved insured must see to it that we receive written notice of the "claim", as soon as practicable, but in any event we must receive notice either:
 - (1) During the policy period or within thirty (30) days thereafter; or
 - (2) With respect to any "claim" first made during any Extended Reporting Period we provide under **SECTION VI — EXTENDED REPORTING PERIODS**, during such Extended Reporting Period.

As a condition precedent for coverage under this insurance, notice of a "claim" must include the detailed information required in Paragraphs **D.1.(a), (b) and (c)**; and

(c) You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement or defense of the "claim"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization, which may be liable to the insured because of injury or damage to which this insurance may also apply.

3. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent, other than those specific payments authorized under Paragraph **B.4.** of Defense of Claims, Administrative Hearings & Settlement Authority, in **SECTION I — COVERAGE**.

D. Legal Action Against Us

No person or organization has a right under this policy:

- 1. To join us as a party or otherwise bring us into a "claim" seeking "damages" from any insured; or
- 2. To sue us under this policy unless all of its terms have been fully complied with.

Any person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial, but we will not be liable for "damages" that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

E. Other Insurance

If other valid and collectible insurance is available to the insured for "damages" or "defense expenses" we cover under this policy, our obligations are limited as follows:

- 1. As this insurance is primary insurance, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in **2.** below.

2. If all of the other insurance permits contribution by equal shares, we will follow this method also.

Under this method, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits.

Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

F. Representations

By accepting this policy you agree:

1. The statements in the Declarations are accurate and complete;
2. Those statements are based upon representations you made to us; and
3. We have issued this policy in reliance upon your representations.

G. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

1. As if each Named Insured were the only Named Insured; and
2. Separately to each insured against whom "claim" is made.

H. Sole Agent

The first Named Insured is authorized to act on behalf of all insureds as respects the giving or receiving of notice of cancellation or non-renewal, receiving premium refunds, requesting any Supplemental Extended Reporting Period and agreeing to any changes in this policy.

I. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this insurance, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will sue those responsible or transfer those rights to us and help us enforce them.

J. When We Do Not Renew

If we decide not to renew this insurance, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date. If notice is mailed, proof of mailing will be sufficient proof of notice.

K. Two Or More Coverage Forms Or Policies Issued By Us

If this policy and any other coverage form or policy issued to you by us or any company affiliated with us apply to the same "claim", the aggregate maximum Limit of Insurance under all coverage forms of policies shall not exceed the highest applicable Limit of Insurance under any one coverage form or policy. This condition does not apply to any coverage form or policy issued by us or an affiliated company specifically to apply as excess insurance over this policy.

SECTION VI — EXTENDED REPORTING PERIODS

- A. We will provide Extended Reporting Periods, as described below, if:

1. This policy is cancelled or not renewed; or
2. We renew or replace this policy with insurance that:
 - (a) Has a Retroactive Date later than the date shown in the Declarations; or
 - (b) Does not apply on a claims-made basis.

- B. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to "claims" as the result of "employment practices" committed after the Retroactive Date, if any, shown in the Declarations and before the end of the policy period. Once in effect, Extended Reporting Periods may not be cancelled.

- C. Extended Reporting Periods do not reinstate or increase the Limits of Insurance.

- D. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for:

1. Five years with respect to "claims" arising out of "employment practices" which had been properly reported to us during the policy period in accordance with Paragraph D.1. of Duties in the Event of "Employment Practices" or "Claims", in SECTION V — CONDITIONS; and
2. Sixty (60) days with respect to "claims" arising from "employment practices" not previously reported to us.

The Basic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such claims.

E. A Supplemental Extended Reporting Period of either twelve (12) or thirty-six (36) months duration is available, but only by endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period set forth in Paragraph D.2. above ends. You must give us a written request for the endorsement, and its length, within 60 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium when due. We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

1. The exposures insured;
2. Previous types and amounts of insurance;
3. Limits of Insurance available under this policy for future payment of "damages" or "defense expenses"; and
4. Other related factors.

The additional premium will not exceed 200% of the annual premium for this policy.

F. The Supplemental Extended Reporting Period Endorsement we issue shall set forth the terms, not inconsistent with this **SECTION VI — EXTENDED REPORTING PERIODS**, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period begins.

SECTION VII — DEFINITIONS

A. "**Bodily injury**" means physical injury to the body, sickness or disease sustained by a person as the result of direct physical injury to the body, including death resulting from any of these at any time. "Bodily injury" does not include mental anguish that results from an "employment practice".

B. "**Claim**" means written or oral notice presented by:

1. Any "employee," "leased worker," "temporary worker," former "employee" or applicant for employment by you; or
2. The EEOC or any other federal, state or local administrative or regulatory agency on behalf of a person described in Paragraph B.1. above, alleging that the insured is responsible for "damages" as a result of injury arising out of any "employment practices".

"Claim" includes any civil proceeding in which either "damages" are alleged or fact finding will take place, when either is the result of any "employment practice" to which this insurance applies. This includes:

- (a) An arbitration proceeding in which such "damages" are claimed and to which the insured submits with our consent;

- (b) Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the insured submits with our consent; or

- (c) Any administrative proceedings as established under federal, state or local laws applicable to "employment practices" covered under this insurance.

C. "**Coverage territory**" means:

1. The United States of America (including its territories and possessions) and Puerto Rico; or
2. Anywhere in the world with respect to the activities of a person whose place of employment is in the territory described in Paragraph C.1. above, while he or she is away for a short time on your business, provided that the insured's responsibility to pay "damages" is determined in a suit on the merits (or any type of civil proceeding described under the definition of "claim") in and under the substantive law of the United States of America (including its territories and possessions) or Puerto Rico.

D. "**Damages**" means monetary amounts to which this insurance applies and which the insured is legally obligated to pay as judgments or awards, or as settlements to which we have agreed in writing.

"Damages" include (i) "pre-judgment interest" awarded against the insured on that part of the judgment we pay; (ii) any portion of a judgment or award, to the extent allowed by law, that represents a multiple of the compensatory amounts, punitive or exemplary damages; and (iii) statutory attorney fees. "Damages" do not include:

1. Civil, criminal, administrative or other fines or penalties;
2. Equitable relief, injunctive relief, declarative relief or any other relief or recovery other than money; or
3. Judgments or awards because of acts deemed uninsurable by law.

E. "**Defense expenses**" means payments allocated to a specific "claim" for its investigation, settlement, or defense, including:

1. Attorney fees and all other litigation expenses.
2. The cost of bonds to appeal a judgment or award in any "claim" we defend. We do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the Amount of Insurance available. We do not have to furnish these bonds.
4. Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of any "claim", including actual loss of earnings up to \$250 a day because of time off from work.

5. Costs taxed against the insured in the "claim".

"defense expenses" does not include:

1. Salaries and expenses of our employees or your "employees", other than:

(a) That portion of our employed attorneys' fees, salaries and expenses allocated to a specific "claim" for the defense of the insured; and

(b) The expenses described in Paragraph 4. above; and

2. Interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the amount available for the judgment under the provisions of **SECTION III — LIMITS OF INSURANCE.**

F. **"Employee"** means a person (i) employed by you for wages or salary; or (ii) who is a current or former member of your board of directors. But "employee" does not include any independent contractor, any employees of any independent contractor while acting within the scope of their employment, any "leased worker" or any "temporary worker".

G. **"Employment Practices"** means any of the following actual or alleged practices (i) which are directed against any of your "employees", "leased workers", "temporary workers", former "employees" or any applicant for employment by you; and (ii) for which remedy is sought under any federal, state or local statutory or common civil employment law:

1. Wrongful refusal to employ a qualified applicant for employment;
2. Wrongful failure to promote, or wrongful deprivation of career opportunity;

3. Wrongful demotion, evaluation, reassignment or discipline;

4. Wrongful termination of employment, including retaliatory or constructive discharge;

5. Employment related misrepresentation;

6. Harassment, coercion, discrimination or humiliation as a consequence of race, color, creed, national origin, marital status, medical condition, gender, age, physical appearance, physical and/or mental impairments, pregnancy, sexual orientation or sexual preference or any other protected class or characteristic established by any applicable federal, state, or local statute; or

7. Oral or written publication of material that slanders, defames or libels, or violates or invades a right of privacy.

H. **"Interrelated"** means having as a common nexus any fact, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions or causes.

I. **"Leased worker"** means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

J. **"Pre-judgment interest"** means interest added to a settlement, verdict, award or judgment based on the amount of time prior to the settlement, verdict, award or judgment, whether or not made part of the settlement, verdict, award or judgment.

K. **"Temporary worker"** means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

WISCONSIN CHANGES**EMPLOYMENT PRACTICES LIABILITY
EPL 70 05 09 18****THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE FORM

A. The following is added to **Changes Common Policy Condition:**

If one of our agents knows of a fact that breaches a condition of this policy, we will be considered to have knowledge of this same fact if:

- a. The agent knows of this fact at the time the policy is issued or an application is made; or
- b. The agent later learns of this fact in the course of his dealings as an agent with you.

Any fact that breaches a condition of this policy and is known to the agent prior to loss shall not void the policy or prevent a recovery in the event of loss.

B. Condition D. Legal Action Against Us under SECTION V — CONDITIONS is deleted in its entirety.

C. The following is added to Condition F. Representations under SECTION V — CONDITIONS:

No misrepresentation or breach of affirmative warranty made by you or on your behalf in the negotiation of this policy affects our obligation under this policy unless:

- a. We rely on it and it is either material or made with intent to deceive; or
- b. The facts misrepresented or falsely warranted contribute to the loss.

No failure of a condition before the loss and no breach of a promissory warranty affects our obligation under this policy unless such failure or breach:

- a. Exists at the time of the loss; and
- b. Either increases the risk at the time of the loss or contributes to the loss.

The provisions of this condition do not apply to non-payment of premium.

D. Condition I. Transfer of Rights of Recovery Against Others To Us under SECTION V — CONDITIONS is deleted in its entirety and replaced by the following:

I. Transfer Of Rights Of Recovery Against Others To Us

In the event of any payment under this policy, we will be entitled to the insured's rights of recovery against any person or organization and the insured will do whatever is necessary to secure such rights. We will be entitled to a recovery only after the insured has been fully compensated for damages.

E. Condition K. Two or More Coverage Forms Or Policies Issued By Us under SECTION V — CONDITIONS is deleted in its entirety.

F. The following Condition is added under SECTION V — CONDITIONS:

CONFORMITY TO STATUTE OR RULE

Any provision of this policy (including endorsements which modify the policy) that is in conflict with a Wisconsin statute or rule is hereby amended to conform to that statute or rule.

The term rule means a valid rule promulgated by the Commissioner of Insurance in accordance with the rule-making authority conferred under Wis. Stat. Ann. Section 227.11(2) and published in the Wisconsin Administrative Code.

Previous Policy Number
NEW

Policy Number
S 2416351

SELECTIVE INSURANCE COMPANY OF THE SOUTHEAST
900 E. 96TH STREET, INDIANAPOLIS, IN 46240

DECLARATIONS - COMMERCIAL UMBRELLA LIABILITY COVERAGE

Item One - Name of Insured & Mailing Address SEE COMMERCIAL POLICY COMMON DECLARATION: IL-7025	Policy Period From: DECEMBER 14, 2019 To: DECEMBER 14, 2020 12:01 A.M., Standard Time At The Insured's Mailing Address.								
Producer: SEE COMMERCIAL POLICY COMMON DECLARATION: IL-7025	Producer Number: 00-48213-00000								
Named Insured is: LLC									
Business of the Named Insured: MANUFACTURER OF CONCRETE/									
Limits Of Insurance <table style="width: 100%;"> <tr> <td style="width: 33%;">Occurrence Limit</td> <td style="width: 33%;">\$1,000,000.00</td> <td style="width: 33%;">Aggregate Limit</td> <td style="width: 33%;">\$1,000,000.00</td> </tr> </table>		Occurrence Limit	\$1,000,000.00	Aggregate Limit	\$1,000,000.00				
Occurrence Limit	\$1,000,000.00	Aggregate Limit	\$1,000,000.00						
Self Retained Limit: \$.00									
Schedule of Underlying Insurance and Limits									
Standard Employers Liability or Stop-Gap Employers Liability Policy									
Policy No. TBD									
Company SELECTIVE INS CO OF SOUTH									
Policy Period From: JULY 14, 2019 To: JULY 14, 2020	<table style="width: 100%;"> <tr> <td style="width: 60%;">Employers Liability Each Accident</td> <td style="width: 40%;">\$1,000,000</td> </tr> <tr> <td>Disease Each Employee</td> <td>\$1,000,000</td> </tr> <tr> <td>Disease Each Policy</td> <td>\$1,000,000</td> </tr> </table>	Employers Liability Each Accident	\$1,000,000	Disease Each Employee	\$1,000,000	Disease Each Policy	\$1,000,000		
Employers Liability Each Accident	\$1,000,000								
Disease Each Employee	\$1,000,000								
Disease Each Policy	\$1,000,000								
Commercial General Liability Policy									
Policy No. S 241635100									
Company SELECTIVE INS CO OF THE S									
Policy Period From: DECEMBER 14, 2019 To: DECEMBER 14, 2020	<table style="width: 100%;"> <tr> <td style="width: 60%;">General Aggregate</td> <td style="width: 40%;">\$2,000,000</td> </tr> <tr> <td>Products-Completed Operations</td> <td>\$2,000,000</td> </tr> <tr> <td>Personal and Advertising Injury Limit</td> <td>\$1,000,000</td> </tr> <tr> <td>Each Occurrence Limit</td> <td>\$1,000,000</td> </tr> </table>	General Aggregate	\$2,000,000	Products-Completed Operations	\$2,000,000	Personal and Advertising Injury Limit	\$1,000,000	Each Occurrence Limit	\$1,000,000
General Aggregate	\$2,000,000								
Products-Completed Operations	\$2,000,000								
Personal and Advertising Injury Limit	\$1,000,000								
Each Occurrence Limit	\$1,000,000								
Automobile Liability Policy									
Policy No.									
Company									
Policy Period From: To:	Bodily Injury and Property Damage Combined Each Accident								
Premium Schedule:									
Estimated Exposure Base	Rate Rate Per Annual Minimum Premium Estimated Premium Due								
In the event of cancellation by the Named Insured we will receive and retain not less than as the Policy Minimum Premium.									
\$200.00									
Forms and Endorsements: SEE FORMS AND ENDORSEMENT SCHEDULE: IL-7035	Estimated Total Premium \$1,414.00								
DECEMBER 19, 2019 Issue Date	HEARTLAND REGION Issuing Office								
Authorized Representative									

DECLARATIONS – COMMERCIAL UMBRELLA LIABILITY COVERAGE

SCHEDULE OF UNDERLYING INSURANCE AND LIMITS EXTENSION

Employee			
Benefits			
Company	SELECTIVE INS CO OF THE S	Policy No.	S 241635100
		AGGREGATE LIMIT:	\$2,000,000
		PER CLAIM LIMIT:	\$1,000,000
Policy Period			
From:	DECEMBER 14, 2019		
To:	DECEMBER 14, 2020		
Company		Policy No.	
Policy Period			
From:			
To:			
Company		Policy No.	
Policy Period			
From:			
To:			
Company		Policy No.	
Policy Period			
From:			
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Company		Policy No.	
Policy Period			
From:			
To:			
Company		Policy No.	
Policy Period			
From:			
To:			

COMMERCIAL UMBRELLA LIABILITY COVERAGE**COMMERCIAL UMBRELLA LIABILITY
CXL 4 04 03**

Various provisions in this Coverage Part restrict coverage. Read the entire Coverage Part carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Part the words "you" and "your" refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this Coverage Part. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under **SECTION II — WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning — refer to **SECTION V — DEFINITIONS**.

In return for the payment of the premium, and subject to all terms and conditions of this Coverage Part, we agree with you to provide the insurance as stated in this Coverage Part.

SECTION I — COVERAGES**A. Insuring Agreement**

1. We will pay on behalf of the insured the "ultimate net loss" in excess of the "retained limit" that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages when the "underlying insurance" does not provide coverage or the limits of "underlying insurance" have been exhausted. When we have no duty to defend, we will have the right to defend, or to participate in the defense of, the insured against any other "suit" seeking damages to which this insurance may apply. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance does not apply. At our discretion, we may investigate any "occurrence" or offense that may involve this insurance and settle any resultant claim or "suit", for which we have the duty to defend. But:

- a. The amount we will pay for the "ultimate net loss" is limited as described in **Section III — Limits of Insurance**; and

- b. Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgements or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Section I — Coverages, C. Supplementary Payments**.

2. This insurance applies to "bodily injury", or "property damage" only if:
 - a. The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - b. The "bodily injury" or "property damage" occurs during the policy period; and
 - c. Prior to the policy period, no insured listed under Paragraph A. of **Section II — Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

3. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph A. of **Section II — Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
4. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph A. of **Section II — Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
 - a. Reports all, or any part of the "bodily injury" or "property damage" to us or any other insurer;
 - b. Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - c. Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
5. Damages because of that "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".
6. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

B. Exclusions

This insurance does not apply to:

1. Aircraft or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, operation, use, including "loading or unloading" or entrustment to others of watercraft over 50 feet in length or any aircraft.

- a. Owned by any insured:
- b. Chartered without crew by or on behalf of any insured; or

- c. Owned and operated by any employee of an insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent; or
- (2) Liability assumed under any contract or agreement.

2. Contractual Liability

Any obligation or liability assumed by the insured under any contract or agreement.

This exclusion does not apply to the extent that coverage is provided for the insured by "underlying insurance".

3. Damage to Impaired Property or Property not Physically Injured

"Property damage" to "impaired property" or property that has not been physically destroyed or injured, arising out of;

- a. A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- b. A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

4. Damage to Property

"Property damage" to:

- a. Property
 - (1) You own including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property; or
 - (2) Owned or transported by the insured and arising out of the ownership, maintenance or use of a "covered auto".

- b. Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- c. That particular part of real property on which you or any other contractors or subcontractors, working directly or indirectly on your behalf, are performing operations, if the "property damage" arises out of those operations; or
- d. That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs **c.** and **d.** of this exclusion do not apply to the extent that coverage is provided for the insured by "underlying insurance".

5. Damage to Your Product

"Property damage" to "your product" arising out of it or any part of it.

6. Damage to Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

7. Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

8. Employer's Liability

"Bodily injury" to:

- a. An employee of the insured arising out of and in the course of employment by the insured; or

- b. The spouse, child, parent, brother or sister of that employee as a consequence of **a.** above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to the extent that coverage is provided for the insured by "underlying insurance".

9. Employment-Related Practices

"Bodily injury" or "personal and advertising injury" to:

- a. A person arising out of any:

- (1) Refusal to employ that person;
- (2) Termination of that person's employment; or
- (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

- b. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (1), (2) or (3) above is directed.

This exclusion applies whether the insured may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

10. E.R.I.S.A.

Any obligation of the insured under the Employers' Retirement Income Security Act and any amendments thereto or any similar federal, state or local statute.

11. Auto Coverages

Any loss, cost or expense payable under or resulting from any first party "bodily injury" or "property damage" coverage, automobile no-fault law, uninsured motorists or underinsured motorists law or any similar law.

12. Workers Compensation and Similar Laws

Any obligation of the insured under a workers compensation, unemployment compensation or disability benefits law, or under any similar law.

13. Liquor Liability

"Bodily injury", "property damage" or "personal and advertising injury" for which the insured may be held liable by reason of:

- a. Causing or contributing to the intoxication of any person;
- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion does not apply to the extent that coverage is provided for the insured by "underlying insurance". Coverage provided will follow the provisions, exclusions and limitations of the "underlying insurance" unless otherwise directed by this insurance.

14. Personal and Advertising Injury**a. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period. All "personal and advertising injury" arising out of publication of the same or similar material subsequent to the beginning of the policy period is also excluded.

d. Willful Violation Of Penal Statute Or Ordinance

"Personal and advertising injury" arising out of the willful violation of a penal statute or ordinance committed by or with the knowledge or consent of the insured.

e. Breach Of Contract

"Personal and advertising injury" arising out of breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

f. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

g. Quality Or Performance Of Goods — Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement in your "advertisement" of copyright, trade dress or slogan.

i. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **13.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself considered the business of advertising, broadcasting, publishing or telecasting.

j. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control.

k. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

15. Pollution

Any damages arising out of the "pollution hazard". But, this exclusion does not apply with respect to "pollution hazard" coverage provided in any "Underlying Insurance", except:

- a. Any "underlying insurance" "pollution hazard" coverage provided with "sub-limits"; or

- b. Any coverage provided in "underlying insurance" claims-made coverage for the "Pollution Hazard".

This exclusion applies whether or not the "Pollutant" has any function in your business, operations, premises, site or location.

16. Professional Services

"Bodily injury", "property damage" or "personal and advertising injury" due to rendering or failure to render any professional service. This includes but is not limited to:

- a. Legal, accounting or advertising services;
- b. Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- c. Supervisory, inspection or engineering services;
- d. Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- e. Any health or therapeutic treatment, advice or instruction;
- f. Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- g. Optometry or optical or hearing aid services including the prescribing, preparation, fitting demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- h. Body piercing services;
- i. Professional health care services as a pharmacist;
- j. Law enforcement or firefighting services; and
- k. Handling, embalming, disposal, burial, cremation or disinterment of dead bodies.

This exclusion does not apply to the extent that coverage is provided for the insured by "underlying insurance".

17. Racing or Stunting Activities

"Bodily injury" or "property damage" arising out of the ownership or any insured's use of "mobile equipment" or "autos" in, or while in practice for, or while being prepared for, any prearranged professional or organized racing, speed, demolition or stunting activity or contest.

18. Recall of Products, Work or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- a. "Your product";
- b. "Your work"; or
- c. "Impaired property";

If such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

19. War

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war; or
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution usurped power, or action taken by governmental authority in hindering or defending against any of these.

C. Supplementary Payments

- 1. When the duty to defend exists under this coverage part, we will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - a. All expenses we incur;
 - b. The cost of:
 - (1) Bail bonds up to \$3,000; or

- (2) The cost of appeal bonds to release attachments, but only for bond amounts with the applicable limit of insurance.

We do not have to furnish these bonds;

- c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claims or "Suit", including actual loss of earnings up to \$250 a day because of time off from work;
- d. All costs taxed against the insured in the "Suit";
- e. Prejudgement interest awarded against the insured on that part of the judgement we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgement interest based on the period of time after the offer;
- f. All interest on the full amount of any judgement that accrues after entry of the judgement and before we have:

(1) Paid, or offered to pay; or

(2) Deposited in court;

The part of the judgement that is within the applicable limit of insurance.

These payments will not reduce the Limits of Insurance.

- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement to which "underlying insurance" applies;
 - b. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same contract or agreement to which "underlying insurance" applies;
 - c. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

d. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree we can assign the same counsel to defend the insured and the indemnitee; and

e. The indemnitee:

(1) Agrees in writing to:

- (a) Cooperate with us in the investigation, settlement or defense of the "suit";
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
- (c) Notify any other insurer whose coverage is available to the indemnitee; and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provide us with written authorization to:

- (a) Obtain records and other information related to the "suit", and
- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorney's fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorney's fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgements, or settlements, or the conditions set forth above, or the terms of the agreement described in Paragraph e. above, are no longer met.

3. If we are prevented by law or otherwise from carrying out the provisions of Section C. Supplementary Payments, we will pay any expense incurred with our written consent.

SECTION II — WHO IS AN INSURED

A. Except for liability arising out of the ownership, maintenance, or use of "covered autos":

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above; or

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in (1)(a) or (b) above.

(2) "Property damage" to property:

(a) Owned, occupied, or used by,

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

You, any of your "employees", "volunteer workers", or any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Any person (other than your "employee" or "volunteer worker"), or organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. With Respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

a. "Bodily injury" to a co-"employee" of the person driving the equipment; or

b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

4. Any other person or organization insured under any policy of "underlying insurance". The coverage afforded such insureds under this policy will be not broader than the "underlying insurance" except for this policy's Limits of Insurance.

5. Any additional insured under any policy of "underlying insurance" will automatically be insured under this insurance

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance required by the contract, less any amounts payable by any "underlying insurance", subject to **Section III — Limits of Insurance.**

Additional insured coverage provided by this insurance will not be broader than coverage provided by "underlying insurance".

6. Any person using an aircraft you charter with pilot or air crew, and any person legally responsible for the use of the aircraft provided its actual use is with your permission; except no coverage is afforded:

a. The owner, pilot or air crew of the aircraft or any other person operating it; or

- b. Any manufacturer of aircraft, aircraft engines or aviation accessories, or any aviation sales, service or repair organization or airport or hangar operator or any of their "Employees".
7. Any organization you newly acquire or form other than a partnership, joint venture, or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period set forth in the Declarations, whichever is earlier; and
 - b. Coverage is applicable only in excess of the limits of "underlying insurance", and you must add the organization to your "underlying insurance" as soon as practicable, advising us of the addition. We may then adjust the premium charges.
 - c. Coverage does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - d. Coverage does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
- B. Only with respect to liability arising out of the ownership, maintenance, or use of "covered autos":
- 1. You are an insured.
 - 2. Anyone else while using with your permission a "covered auto" you own, hire or borrow is also an insured except:
 - a. The owner or anyone else from whom you hire or borrow a "covered auto". This exception does not apply if the "covered auto" is a trailer or semi-trailer connected to a "covered auto" you own.
 - b. Your "employee" if the "covered auto" is owned by that "employee" or a member of his or her household.
 - c. Someone using a "covered auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
 - d. Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company), or a lessee or borrower or any of their "employees", while moving property to or from a covered auto.
 - e. A partner (if you are a partnership), or a member (if you are a limited liability company) for a "covered auto" owned by him or her or a member of his or her household.
 - 3. Anyone liable for the conduct of an insured described above is also an insured, but only to the extent of that liability.
- No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture, or limited liability company that is not shown as a Named Insured in the Declarations.
- No person is an insured as respects "Bodily Injury" to a fellow "employee" unless such insurance is provided the insured by "underlying insurance".

SECTION III — LIMITS OF INSURANCE

- A. The Limits of Insurance shown in the Declarations and the provisions below fix the most we will pay regardless of the number of:
- 1. Insureds;
 - 2. Claims made or "suits" brought or number of vehicles involved; or
 - 3. Persons or organizations making claims or bringing "suits".
- B. Subject to D. below, The Occurrence Limit is the most we will pay for the "ultimate net loss" because of "bodily injury" and "property damage" arising out of any one "occurrence".
- C. Subject to D. below, the Occurrence Limit is the most we will pay for the "ultimate net loss" because of all "personal and advertising injury" sustained by any one person or organization.

- D.** The Aggregate Limit is the most we will pay for all "ultimate net loss" because of "bodily injury", "property damage" and "personal and advertising injury" regardless of the number of covered "occurrences" during each annual period of this policy, except:
1. The aggregate limit shall apply separately to and in excess of each aggregate limit of the "underlying policy".
 2. The aggregate limit does not apply to "auto" liability arising out of the ownership, maintenance, use or entrustment of any "covered auto". Use includes operation, "loading or unloading".
- E.** The Aggregate limit as described in **D.** above, applies separately to each consecutive annual period and to any remaining period of less than 12 months. The policy period begins with the effective date shown on the Declarations. If the policy period is extended after issuance for an additional period of less than 12 months, the additional period will be part of the last preceding period.
- F.** If the applicable limit of insurance of the "underlying policy" is less than stated in the Declarations because the aggregate limit of insurance of the "underlying policy" has been reduced or exhausted, we will, subject to the Limits of Insurance and all other provisions of this policy:
1. Pay in excess of the reduced underlying limit of insurance; or
 2. Continue in force as "underlying insurance" until this policy expires or until our aggregate limit is exhausted;
- provided such reduction or exhaustion is solely the result of damages paid because of an "occurrence" during this policy period.
- G.** If the applicable limit of insurance of an "underlying policy" is a "sub-limit", this insurance will not apply, whether or not such "sub-limit" has been reduced by any payments under the "underlying policy".
- H.** If the applicable limit of insurance of the "underlying policy" is more than that stated in the Declarations this insurance becomes excess of such higher limits of insurance.

SECTION IV — CONDITIONS

A. Appeals

If the insured or the insured's "underlying insurer" elects not to appeal a judgment in excess of the underlying or "retained limit", we may elect to make such appeal at our cost and expense. We shall be liable, in addition to the applicable limit of insurance, for any taxable costs, payments and incidental interest. In no event shall our liability for "ultimate net loss" exceed the amount applicable to any one "occurrence" including all expenses of the appeal.

B. Bankruptcy

Your bankruptcy, insolvency or receivership, or that of your estate, will not relieve us of our obligations under this Coverage Part.

In the event of bankruptcy, insolvency or receivership of any "underlying insurer", this policy will not apply as a replacement of the bankrupt or insolvent insurer. Our Limits of Insurance will only apply in excess of the minimum required limits of "Underlying Insurance" stated in this Coverage Part.

C. Duties In The Event Of Occurrence, Claim Or Suit

1. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - a. How, when and where the "occurrence" or offense took place;
 - b. The names and addresses of any injured persons and witnesses; and
 - c. The nature and location of any injury or damage arising out of the "occurrence" or offense.
2. If a claim is made or "suit" is brought against any insured, you must:
 - a. Immediately record the specifics of the claim or "suit" and the date received; and
 - b. Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

3. You and any other involved insured must:
 - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - b. Authorize us to obtain records and other information;
 - c. Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
4. No insureds will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense other than for first aid, without our consent.

D. Expanded Coverage Territory

1. If a claim or "suit" is brought in a part of the "coverage territory" that is outside the United States of America (including its territories and possessions), Puerto Rico, or Canada, and we are prevented by law, or otherwise, from defending the insured, the insured will initiate a defense of the claim or "suit". We will reimburse the insured, under Supplementary Payments, for any approved expenses incurred for the defense of such "suit" or claim seeking damages to which this insurance applies, that we would have been paid had we been able to exercise our right and duty to defend.

If the insured becomes legally obligated to pay sums because of damages to which this insurance applies in a part of the "coverage territory" that is outside the United States of America (including its territories and possessions), Puerto Rico or Canada, and we are prevented by law, or otherwise, from paying such claims on the insured's behalf, we will reimburse the insured for such sums.

2. All payments or reimbursements we make for damages because of judgements or settlements will be made in U.S. currency at the prevailing exchange rate at the time the insured became legally obligated to pay such sums. All payments or reimbursements we make for expenses under Supplementary Payments will be made in U.S. currency at the prevailing exchange rate at the time the expenses were incurred.
3. Any disputes between you and us as to whether there is coverage under this policy must be filed in the courts of the United States of America (including its territories and possessions), Canada or Puerto Rico.
4. The insured must fully maintain any coverage required by law, regulation or other governmental authority during the policy period, except for reduction of the aggregate limits due to payments of claims, judgements or settlements.

Failure to maintain such coverage required by law, regulation or other governmental authority will not invalidate this insurance. However, this insurance will apply as if the required coverage by law, regulation or other governmental authority was in full effect.

E. Legal Action Against Us

No person or organization has a right under this Coverage Part:

1. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
2. To sue us under this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

F. Loss Payable

Liability under this Coverage Part shall not apply unless and until the insured or insured's "underlying insurer" has become obligated to pay the "retained limit". Such obligation by the insured to pay part of the "ultimate net loss" shall have been previously determined by a final settlement or judgement after an actual trial or written agreement between the insured, claimant and us.

G. Maintenance Of Underlying Insurance

Each policy of "underlying insurance" must remain in force for the full term of this policy except:

1. For changes agreed to by us in writing;
2. For any reduction of the aggregate limits of such "underlying insurance" because of payment of claims, settlements or judgements arising out of occurrences during the policy period.

If you do not maintain "Underlying Insurance", we will pay only those damages or injuries that would have been paid had "Underlying Insurance" been maintained.

H. Other Insurance

1. This insurance is excess over, and shall not contribute with any other insurance, whether primary, excess, contingent or on any other basis. This condition will not apply to insurance specifically written as excess over this Coverage Part.

When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has the duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

2. When this insurance is excess over other insurance, we will pay only our share of the "ultimate net loss" that exceeds the sum of:
 - a. The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
 - b. The total of all deductible and self-insured amounts under all that other insurance.

I. Premium Audit

1. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
2. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
3. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

J. Premiums

The First Named Insured shown in the Declarations will be:

1. Responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

The premium is fully earned if the Limits of Insurance are used up prior to the end of the policy period.

K. Representations or Fraud

By accepting this policy, you agree that:

1. The statements in the application and Declarations, and any subsequent notice relating to "underlying insurance", are accurate and complete;
2. Those statements are based upon representations you made to us; and
3. We have issued this policy in reliance upon your representations.
4. This policy is void in any case of fraud by you as it relates to this policy or any claim under this policy.

L. Separation of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies as if each Named Insured were the only Named Insured, and separately to each insured against whom claim is made or "suit" is brought.

M. Transfer of Rights of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request the insured will bring "suit" or transfer those rights to us and help us enforce them. Any recovery will be applied in the following order:

1. To any person or insurer who may have paid for liability in excess of our limit of liability;
2. To us up to the amount we paid under this policy; and, then
3. To any person or insurer to the extent that the person or insurer is entitled to claim the remaining amount, if any.

Reasonable expenses incurred in the exercise of rights of recovery will be shared among all interests on a pro rata basis according to their respective losses.

N. Underlying Insurance

The limits of "underlying insurance" shall apply, no matter what defense the "underlying insurer" may use because of the insured's failure to comply with any condition of the "underlying insurance" following an "occurrence". You must inform us promptly of any changes in "underlying insurance". We may make adjustments to our premium charges for this policy from the date of the changes to the "underlying insurance". We must also be notified within 30 days if any coverage is canceled or aggregate limit exhausted.

O. When We Do Not Renew

If we decide not to renew this Coverage, we will mail or deliver to the first Named Insured shown in the Declarations, written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V — DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purpose of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purpose of attracting customers or supporters is considered an advertisement.
2. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads including any attached machinery or equipment. But "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, sickness, disease or disability sustained by a person, including death from any of these at any time including mental anguish or mental injury sustained by a person who has suffered a covered "bodily injury" as defined in this paragraph.
4. "Coverage territory" means anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.
5. "Covered auto" means only those "autos" to which "underlying insurance" applies.
6. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

7. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work"; or your fulfilling the terms of the contract or agreement.

9. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

10. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an "auto", aircraft or watercraft;
- b. While it is in or on an "auto", aircraft or watercraft;
- c. While it is being moved from an "auto" aircraft or watercraft to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the "auto", aircraft or watercraft.

11. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;

c. Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

- (1) Power cranes, shovels, loaders, diggers or drills; or
- (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "Mobile Equipment" but will be considered "autos":

(1) Equipment designed primarily for:

- (a) Snow removal;
- (b) Road maintenance, but not construction or resurfacing; or
- (c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

12. "Occurrence" means:

- a. An accident, including continuous or repeated exposure to substantially the same general harmful conditions that result in "bodily injury" or "property damage". All damages arising from continuous or repeated exposure to substantially the same general conditions shall be deemed one "Occurrence".
- b. An offense that results in "personal and advertising injury". This does not include an offense committed with actual malice. All damages that arise from the same general conditions shall be deemed to arise from one "Occurrence". All damages involving the same injurious act, regardless of the frequency, repetition or the number or kind of media used, or the number of claimants shall be deemed to arise from one "occurrence".

13. "Personal and advertising injury" means injury, including consequential "bodily injury" arising out of one more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. Wrongful eviction from, wrongful entry into or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies; committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication in any manner of material that violates a person's right of privacy; or
- e. Oral or written publication in any manner of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or service.
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
- h. Discrimination because of race, religion, age, sex or physical disability.

This does not apply:

- (1) To offenses committed by or at the direction of the insured; or

- 2) If insurance for such offenses is prohibited by law;

committed during the policy period.

- 14. "Pollutants" mean any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

- 15. "Pollution hazard" means an actual exposure or threat of exposure to the corrosive, toxic or other harmful properties of any "pollutants" arising out of the discharge, dispersal, seepage, migration, release or escape of such "pollutants".

"Pollution hazard" includes losses, costs or expenses arising out of any obligation, order, direction or request of or upon any insured or others, including but not limited to any governmental obligation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, in any way respond to, or assess the effects of "pollutants".

16. "Products-completed operations hazard"

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or

- (2) Work that has not yet been completed or abandoned.

- b. "Your work" will be deemed completed at the earliest of the following times:

- (1) When all the work called for in your contract has been completed;

- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site;

- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise completed, will be treated as completed.

c. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of it;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials;
- (3) Products or operations for which "underlying insurance" classifications or manual rules include products or completed operations coverage.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, (including systems and applications software), hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Retained limit" means the greater of:

- a. The total of the limits as shown in the Declarations for the coverage(s) in question, and the limits of any other insurance not shown in the declarations that is valid and collectible; or
- b. The limit shown in the Declarations as the "self-retained limit".

However, "retained limit" does not mean any "sub-limit".

19. "Self-retained limit" means the dollar amount shown in the Declarations to be paid by an insured if no "underlying insurance" or any other insurance applies to an "occurrence" covered under this policy. The "self-retained limit" does not apply to "occurrences" or offenses which would have been covered by "underlying insurance" but for the exhaustion of applicable limits. These provisions do not apply to any "sub-limit" which has been reduced or exhausted.

20. "Sub-limit" means a limit of insurance of the "underlying policy" which:

- a. As originally granted at the effective date of the "underlying policy", or
- b. At its original addition by endorsement to that "underlying policy" is an amount less than that stated in the Declarations of this policy.

21. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent or the "underlying insurer's" consent.

22. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

23. "Ultimate net loss" means the total of the following sums for each "occurrence" to which this policy applies:

- a. All sums for which the insured becomes legally obligated to pay as damages, either by reason of adjudication or settlement or any arbitration or other alternate dispute method entered into with our consent or the "underlying insurer's" consent. This includes deduction for recoveries and salvages paid or to be paid.

- b. All expenses, other than defense settlement expenses provided in **Section I — Coverages, C. Supplementary Payments** incurred by or on behalf of the insured in the investigation, negotiation, settlement and defense of any "suit" seeking damages under this policy. However, the salaries of the insured's regular employees are excluded.
24. "Underlying insurance" means any policies of insurance listed in the Declarations under the section titled Schedule of Underlying Insurance and Limits.
25. "Underlying insurer" means any insurer who provides any policy of insurance listed in the schedule of "underlying insurance".
26. "Underlying policy" means a policy providing "Underlying insurance" or any other applicable insurance.
27. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
28. "Your product":
- a. Means:
- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
- (a) You;
- (b) Others trading under your name; or
- (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- b. Includes:
- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.
29. "Your work":
- a. Means:
- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.
- b. Includes:
- (1) Warranties or representation made at any time with respect to the fitness, quality, durability, performance, or use of your work; and
- (2) The providing of or failure to provide warnings or instructions.

ASBESTOS EXCLUSION

COMMERCIAL UMBRELLA LIABILITY
CXL 17 10 99

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

1. It is agreed that this insurance does not apply to any loss or damage relating to the actual, alleged, or threatened presence of, or exposure to, "asbestos," including inhalation, ingestion, irritation, absorption or other similar physical exposure to "asbestos." Such presence of, or exposure to, "asbestos" includes, but is not limited to:
 - a. structures or manufacturing processes containing "asbestos";
 - b. the disposal of "asbestos" or goods, products or materials containing "asbestos";
 - c. the storing or presence of "asbestos" or goods, products or materials containing "asbestos"; or
 - d. the removal of "asbestos" from any goods, products, materials, structures or manufacturing processes, whether or not such "asbestos" is airborne.
2. We shall have no obligation under this coverage part:
 - a. to investigate, settle or defend any claim or "suit" against any "insured" alleging actual or threatened injury or damage of any nature or kind to persons or property which arises out of or would not have occurred but for the presence of, or exposure to, "asbestos"; or
 - b. to pay any damages, judgments, settlements, losses, costs or expenses of any kind or nature that may be awarded or incurred by reason of any such claim or suit or any such actual or threatened injury or damage from "asbestos"; or
 - c. for any losses, costs or expenses arising out of any obligation, order, direction or request of or upon any insured or others, including, but not limited to, any governmental obligation, order, direction or request, to test for, monitor, clean up, remove, contain, treat, neutralize, in any way respond to, or assess the effects of "asbestos."
3. "Asbestos" includes asbestos, asbestos fibers, asbestos materials, and asbestos products, or any goods or products containing asbestos or asbestos fibers, materials, or products.

PROPERTY OF OTHERS EXCLUSION

COMMERCIAL UMBRELLA LIABILITY
CXL 63 01 99

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

This insurance does not apply to "Property Damage" to:

1. Property rented or occupied by the insured;
2. Property loaned to the insured;
3. Property in the care, custody or control of the insured.

**DIRECTORS AND OFFICERS
LIABILITY INSURANCE EXCLUSION**

COMMERCIAL UMBRELLA LIABILITY
CXL 94 01 99

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

This insurance does not apply to any liability for any civil claim or claims made against the insured or any director or officer of the insured arising out of any negligent act, any error, any omission, or neglect or breach of duty of directors or officers while acting within the scope of their duties as such.

AUTO LIABILITY LIMITATION

COMMERCIAL UMBRELLA LIABILITY
CXL 103 04 03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the ownership, maintenance, operation, use, loading or unloading or entrustment to others of any "auto".

This exclusion does not apply to the extent that coverage is provided for the insured by "underlying insurance".

WATERCRAFT LIABILITY LIMITATION

COMMERCIAL UMBRELLA LIABILITY
CXL 119 04 03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

This insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the ownership, maintenance, operation, use, including loading or unloading or entrustment to others of watercraft.

This exclusion does not apply to the extent that coverage is provided for the insured by "underlying insurance".

COMMERCIAL UMBRELLA LIABILITY
CXL 132 04 03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

This insurance does not apply to any claims made or "suits" brought against the insured for liability arising out of "personal and advertising injury".

This exclusion does not apply to the extent that coverage is provided for the insured by "underlying insurance".

EMPLOYEE BENEFITS LIABILITY LIMITATION

COMMERCIAL UMBRELLA LIABILITY
CXL 211 04 03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

This insurance does not apply to damage sustained by an "employee", prospective "employee", former "employee" or their beneficiaries or legal representatives in the "administration" of the insured's Employee Benefits Program, caused by a negligent act, error or omission of the insured or any other person for which the insured is legally liable.

Except, this exclusion does not apply to the extent that coverage is provided for the insured by the terms and conditions of the Employee Benefits Program Liability provided by the "underlying policy" of insurance set forth in the schedule of "underlying insurance".

ADDITIONAL DEFINITION:

ADMINISTRATION:

- a. Giving counsel, other than legal counsel, about the Employee Benefits Program;
- b. Providing information about the content of the Employee Benefits Program;
- c. Handling records in connection with the Employee Benefits Program; and
- d. Enrolling, terminating or cancelling any "employee's" or former "employee's" participation in a plan included in your Employee Benefits Program;

Provided all such acts are authorized by you.

EXCLUSION — LEAD HAZARD

COMMERCIAL UMBRELLA LIABILITY
CXL 318 04 03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

This insurance does not apply to:

- a.** "Bodily injury" arising out of the ingestion, inhalation, or absorption of lead in any form;
- b.** "Property damage" or "personal and advertising injury," arising from the presence of lead in any form; or
- c.** Any loss, cost or expense arising out of any orders by, or on behalf of, any governmental authority to test for, monitor, cleanup, remove, contain, treat, detoxify, or neutralize in any form.

at or from any premises, sites or locations which are, or were at any time, owned by, rented to, loaned to, or used by any insured, or arising from operations by any insured.

WISCONSIN CHANGES — CANCELLATION AND NONRENEWAL

COMMERCIAL UMBRELLA LIABILITY
CXL 328 11 18

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

A. Paragraph 2. of the **Cancellation Common Policy Condition is replaced by the following:**

- 2.** We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 10 days before the effective date of cancellation.

If this policy has been in effect for less than 60 days and is not a renewal policy, we may cancel for any reason.

If this policy has been in effect for 60 days or more or is a renewal of a policy we issued, except as provided in Paragraph 7. below, we may cancel this policy only for one or more of the following reasons:

- a.** The policy was obtained by material misrepresentation;
- b.** There has been a substantial change in the risk we originally assumed, except to the extent that we should have foreseen the change or considered the risk in writing the policy;
- c.** There have been substantial breaches of contractual duties, conditions or warranties; or
- d.** Nonpayment of premium.

If this policy has been in effect for 60 days or more or is a renewal of a policy we issued, the notice of cancellation will state the reason for cancellation.

B. The following is added to the **Cancellation Common Policy Condition:**

7. ANNIVERSARY CANCELLATION

If this policy is written for a term of more than one year or has no fixed expiration date, we may cancel this policy for any reason by mailing or delivering to the first Named Insured written notice of cancellation at least 60 days before the anniversary date of the policy. Such cancellation will be effective on the policy's anniversary date.

We may cancel this policy because of the termination of an insurance marketing intermediary's contract with us only if the notice of cancellation contains an offer to continue the policy with us if we receive a written request from the first Named Insured prior to the date of cancellation.

C. SECTION IV — CONDITIONS, O. When We Do Not Renew is replaced by the following:

1. NONRENEWAL

- a.** If we elect not to renew this policy we will mail or deliver written notice of nonrenewal to the first Named Insured's last mailing address known to us. We may elect not to renew for any reason; the notice will state the reason for nonrenewal. We will mail or deliver the notice at least 60 days before the expiration date of this policy.

We need not mail or deliver the notice if:

- (1)** You have insured elsewhere;
- (3)** You have requested or agreed to nonrenewal of this policy;
- (4)** This policy is renewed in an affiliate in compliance with WIS. STAT. SECTION 631.39; or
- (5)** This policy is expressly designated as nonrenewable.

- b.** We may refuse to renew this policy because of the termination of an insurance marketing intermediary's contract with us only if the notice of nonrenewal contains an offer to renew the policy with us if we receive a written request from the first Named Insured prior to the renewal date.

- c. If you fail to pay the renewal or continuation premium by the premium due date, this policy will terminate on the policy expiration or anniversary date, if we have:
- (1) Given you written notice of the renewal or continuation premium not more than 75 days nor less than 10 days prior to the due date of the premium; and
 - (2) Stated clearly in the notice the effect of nonpayment of premium by the due date.

2. ANNIVERSARY ALTERATION

If this policy is written for a term of more than one year or has no fixed expiration date, we may alter the terms or premiums of this policy by mailing or delivering written notice of less favorable terms or premiums to the first Named Insured's last mailing address known to us. We will mail, by first class mail, or deliver this notice at least 60 days prior to the anniversary date.

If we notify the first Named Insured within 60 days prior to the anniversary date, the new terms or premiums will not take effect until 60 days after the notice was mailed or delivered. The notice will include a statement of the first Named Insured's right to cancel. The first Named Insured may elect to cancel the policy at any time during the 60-day period, in accordance with **COMMON POLICY CONDITIONS, A. Cancellation**, Paragraph 1. If the first Named Insured elects to cancel the policy during the 60-day period, return premiums or additional premium charges will be calculated proportionately on the basis of the old premiums.

3. RENEWAL WITH ALTERED TERMS

If we elect to renew this policy but on less favorable terms or at higher premiums, we will mail or deliver written notice of the new terms or premiums to the first Named Insured's last mailing address known to us. We will mail, by first class mail, or deliver this notice at least 60 days prior to the renewal date.

If we notify the first Named Insured within 60 days prior to the renewal date, the new terms or premiums will not take effect until 60 days after the notice was mailed or delivered. The notice will include a statement of the first Named Insured's right to cancel. The first Named Insured may elect to cancel the renewal policy at any time during the 60-day period, in accordance with **COMMON POLICY CONDITIONS, A. Cancellation**, Paragraph 1. If the first Named Insured elects to cancel the renewal policy during the 60-day period, return premiums or additional premium charges will be calculated proportionately on the basis of the old premiums.

We need not mail or deliver this notice if the only change adverse to you is a premium increase that:

- a. Is less than 25% and is generally applicable to the class of business to which this policy belongs; or
- b. Results from a change based on your action that alters the nature or extent of the risk insured against, including but not limited to a change in the classification or the units of exposure, or increased policy coverage.

FUNGI OR BACTERIA EXCLUSION

COMMERCIAL UMBRELLA LIABILITY
CXL 383 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

A. **Section I Coverages, B. Exclusions** is amended by the addition of the following provision.

Fungi or Bacteria

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for consumption.

B. The following definition is added to the **Definitions** Section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

COMMERCIAL UMBRELLA LIABILITY
CXL 388 01 15

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

- A.** If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

COMMERCIAL UMBRELLA LIABILITY
CXL 400 04 03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:
COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

- I. The insurance does not apply**
- A. Under any Liability Coverage, to "bodily injury" or "property damage":**
- (1)** With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, with any person or organization.
- B. Under any Liability Coverage, to "bodily injury" and "property damage" resulting from "hazardous properties" of "nuclear material", if:**
- (1)** The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an insured or (b) has been discharged or dispersed therefrom;
 - (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an insured; or
 - (3)** The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located with the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property there at.
- II. As used in this endorsement:**
- "Hazardous properties" includes radioactive, toxic or explosive properties.
- "Nuclear material" means "source material", "special nuclear material" or "by-product material".
- "Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
- "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".
- "Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";
- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radio-active contamination of property.

EXCLUSION — EMPLOYMENT PRACTICES LIABILITY

COMMERCIAL UMBRELLA LIABILITY
CXL 453 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

- A.** Exclusion **B.9. Employment Related Practices** of **SECTION I — COVERAGES** is deleted in its entirety and replaced by the following:

This insurance does not apply to any liability for any claim based upon, arising out of, directly or indirectly resulting from "employment practices wrongful acts", whether or not such coverage is provided for by the "underlying insurance".

This exclusion applies whether the insured may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

- B.** The following is added to **SECTION V — DEFINITIONS**:

1. "Employment Practices Wrongful Acts" means any of the following employment related acts: if alleged by or on behalf of a claimant:
 - a. violations of any federal, state, or local civil rights laws;
 - b. wrongful dismissal, discharge, discipline, or termination of employment whether actual or constructive;
 - c. breach of a written or oral employment contract or implied employment contract;
 - d. demotion, denial of tenure, failure or refusal to hire or promote, or wrongful deprivation of a career opportunity;
 - e. negligent reassignment, hiring, supervision, evaluation, training, or retention;
 - f. misrepresentations;
 - g. defamation (including libel and slander), invasion of privacy, false arrest, detention, or imprisonment;
 - h. sexual or workplace harassment;
 - i. any violation of employment discrimination laws based upon such person's race, sex, religion, sexual orientation, disability, marital status, pregnancy, age, national origin, veteran status or any other status that is protected pursuant to any foreign, federal, state, or local statutory law or common law;
 - j. failure to prevent the existence of an abusive or hostile work environment;
 - k. wrongful infliction of emotional distress, mental anguish, or humiliation;
 - l. retaliatory treatment of an "employee" alleged to be because such individual:
 - a. exercised his or her rights under law, including rights under workers compensation laws, the Family and Medical Leave Act, the Americans with Disabilities Act, or any other law relating to employee rights;
 - b. refused to violate any law or opposed any unlawful practice;
 - c. assisted or testified in or cooperated with any legal proceeding or formal governmental investigation regarding alleged violations of law by you;
 - d. disclosed or expressed an intent to disclose to a superior or to any governmental agency any alleged violations of law; or
 - e. filed or expressed intent to file any claim against you under the Federal False Claims Act or any other similar foreign, federal, state, or local "whistle blower" law.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

A. Paragraph 1. of SECTION I — COVERAGES, B. Exclusions is replaced by the following:

1. Aircraft Or Watercraft

This insurance does not apply to:

"Bodily injury" or "property damage" arising out of the ownership, maintenance, operation, use, including "loading or unloading" or entrustment to others of watercraft over 50 feet in length or any aircraft.

- a.** Owned by any insured;
- b.** Chartered without crew by or on behalf of any insured; or
- c.** Owned and operated by any employee of an insured.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of watercraft over 50 feet in length or any aircraft subject to Paragraphs **a.**, **b.**, or **c.**

This exclusion does not apply to:

- (1)** A watercraft while ashore on premises you own or rent; or
- (2)** Liability assumed under any contract or agreement.

B. Paragraph 13. of SECTION I — COVERAGES, B. Exclusions is replaced by the following:

13. Liquor Liability

This insurance does not apply to "bodily injury" or "property damage" for which any insured may be held liable by reason of:

- a.** Causing or contributing to the intoxication of any person;
- b.** The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c.** Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- i.** The supervision, hiring, employment, training or monitoring of others by that insured; or
- ii.** Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage" involved that which is described in Paragraph **a.**, **b.** or **c.** above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

This exclusion does not apply to the extent that coverage is provided for the insured by "underlying insurance". Coverage provided will follow the provisions, exclusions and limitations of the "underlying insurance" unless otherwise directed by this insurance.

However, if **CXL 50** is attached to the Policy, the provisions of that endorsement apply in lieu of the above.

C. Subparagraphs b. and c. under 14. Personal and Advertising Injury of SECTION I — COVERAGES, B. Exclusions are replaced by the following:

This insurance does not apply to:

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

D. Paragraph 16. Professional Services of SECTION I — COVERAGES, B. Exclusions is replaced by the following:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional service. This includes, but is not limited to:

- a. Legal, accounting or advertising services;
- b. Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings or specifications;
- c. Engineering services, including related supervisory or inspection services;
- d. Medical, surgical, dental, X-ray or nursing services treatment, advice or instruction;
- e. Any health or therapeutic service treatment, advice or instruction;
- f. Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement, or personal grooming or therapy;
- g. Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- h. Body piercing services;
- i. Services in the practice of pharmacy;
- j. Law enforcement or firefighting services; and
- k. Handling, embalming, disposal, burial, cremation or disinterment of dead bodies.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the if the "occurrence" which caused the "bodily injury" or "property damage" or the offense which caused the "personal and advertising injury", involved the rendering of or failure to render any professional service.

This exclusion does not apply to the extent that coverage is provided for the insured by "underlying insurance".

E. The following is added to SECTION I — COVERAGES, B. Exclusions:

Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability

This insurance does not apply to:

- (1) Damages because of "bodily injury", "property damage" or "personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

F. The following is added to SECTION I — COVERAGES, B. Exclusions:

Recording And Distribution Of Material Or Information In Violation Of Law

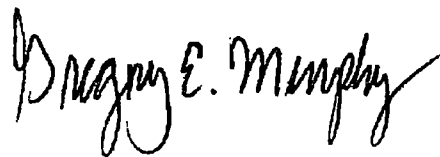
This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

We will provide the insurance described in this policy in return for the premium
and compliance with all applicable provisions of this policy

A handwritten signature in black ink, appearing to be "Michael H. [unclear]".

Secretary

A handwritten signature in black ink that reads "Gregory E. Murphy".

Chairman

POLICY SCHEDULE

SELECTIVE INSURANCE

BRANCHVILLE, NEW JERSEY 07890

ISSUE DATE: 12/20/2019

Policy No S 2416351	Issued To JEL MANUFACTURING LLC	
Period 12/14/2019 12/14/2020	Transaction Type NEW BUSINESS	Agent Number 00-48213-00000
Billing Type DIRECT BILL	Transaction Eff. Date 12/14/2019	Number of Remaining Installments 26

BILL ACCOUNT: 224 784 810

PAYMENT WILL BE BILLED AS FOLLOWS:

Initial Installment:	\$515.00
Each Remaining Installment*:	\$508.00
Final Installment**:	\$567.00

*Each remaining installment is the amount due after the initial installment

**The final installment may not be the same as the previous installment amounts

TOTAL PREMIUM AMOUNT \$13,274.00

Your bill will be sent under separate cover. This is a Payment Schedule of your policy premium due based on your selected installment plan. Changes made to the policy premium after the issue date listed above, will be reflected on future bills.

An installment fee of \$7.00 may be added to each installment bill. Policies not paid by the installment due date are subject to a late fee of \$20.00 for each late payment. An insufficient fund fee of \$25.00 will be charged for payments returned by your financial institution.

A reinstatement fee may be incurred when a policy is reinstated after a non-pay cancellation is processed. Fee amounts are generally \$35 for commercial line policies and will appear on the next bill.

**IMPORTANT NOTICE ABOUT YOUR PAYMENT PLAN
AND LATE PAYMENTS UNDER YOUR PAYMENT PLAN:**

If you have selected a payment plan option to pay for Your policy or policies with Us, we will send You a bill or email notification when premium is due. Bills will show (1) the billed minimum amount due on Your account for that month, and (2) the total balance due on Your account, including late and installment fees, if any have been charged. On or before the due date We specify in Your bill, You will be required to pay Us the total billed minimum amount shown in order to stay current in your payments due to Us (excluding any policy or policies that are pending cancellation).

Any time a payment is late and You fall behind on the amount that is owed to Us for the policy premium, we will issue a policy cancellation notice for failure to pay the premium, and we may charge you a late fee. For the first two times you fall behind, if You pay the total amount due before the cancellation effective date indicated in the notice, the policy or policies will remain in effect. If, however, We issue a third cancellation notice for nonpayment of premium, We will accelerate the remaining payments due under the payment plan and require You to pay **the full outstanding policy premium (not just the total billed minimum amount in the most recent bill) on or before the cancellation effective date.** If You do not pay the full outstanding balance on or before the cancellation effective date, We will cancel Your policy. If Your policy or policies are cancelled or expired, Your enrollment in an electronic payment option will continue, despite the fact that the policy(s) have been cancelled with Selective and may remain in effect until such time as any payment for any earned premiums, audit balances or other amounts related to your account are settled. If more than one policy is subject to a payment plan, We will apply partial payments proportionately to the billed minimum amount for each policy. Any policy that is not paid in full after this allocation will be subject to cancellation for nonpayment of premium, as provided in the policy.

Selective Insurance
Main Administrative Offices
40 Wantage Avenue Branchville
New Jersey 07890
(973) 948-3000

"Selective Insurance" refers to the following affiliated insurers:

Selective Insurance Company of America, Selective Way Insurance Company, Selective Insurance Company of South Carolina, Selective Insurance Company of the Southeast, Selective Insurance Company of New York, Selective Insurance Company of New England, Selective Casualty Insurance Company, Selective Fire and Casualty Insurance Company, and Selective Auto Insurance Company of New Jersey. The declarations page of your policy identifies the insurance carrier that issued your "Selective Insurance" policy.

JEL
Manufacturing
Concrete Plants & Equipment

Matthew Gladen <matt@jescdirect.com>
John Barrett
Clerk of Circuit Court
2020CV005478
Honorable Carl Ashley-33
Branch 33

000639410/ Coverage Update, Next Steps

1 message

Hodges Michele - Hartford-Remote-HSB <Michele_Hodges@hsb.com>
To: "matt@jelmanufacturing.com" <matt@jelmanufacturing.com>
Cc: HSB-BDL-Claims Documentation <Claims_Documentation@hsb.com>

Mon, Jul 6, 2020 at 11:58 AM

Dear Matthew,

We have completed our investigation into the occurrence and have accepted liability for the extra expenses incurred related to your claim at this time. As discussed, the next step in the claim process is to obtain the claim documentation from you.

Please keep in mind our initial position to not cover the actual crane control equipment as it is not covered property under your policy.

Your extra expense loss is covered. A Damage Specialist will contact you to obtain additional information and to request the necessary documentation to support this portion of your claim.

Summary of Process and Next Steps

1. Our Damage Specialist will contact you to review the information and follow up if additional information is needed.
2. Our Claims Service Representative will contact you to discuss the outcome of the claim.
3. We will keep you informed throughout this process.

We appreciate your cooperation. Please do not hesitate to contact me with any questions.

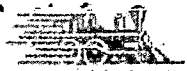
Michele Hodges
Claims Service Rep CEB Sr

The Hartford Steam Boiler
Inspection and Insurance Company
One State Street
P.O. Box 5024
Hartford, CT 06102-5024
Telephone: +1 (484) 582-1455
Facsimile: 1-877-472-4329

Michele_Hodges@hsb.com

hsb.com

EXHIBIT B

**HSB**

A Munich Re company

**IMPORTANT NOTICE:**

This email (including any attachments) contains confidential and proprietary information that is intended only for the individual or entity designated above. If you are not the intended recipient, please be aware that any use, review, distribution, reproduction, copying, or action taken in reliance upon this email is strictly prohibited. If you received this email in error, please notify the sender immediately, and permanently delete and destroy this email and any hard and electronic copies thereof. Although we have taken reasonable precautions to reduce the risk of transmitting software viruses, it is the responsibility of the recipient to ensure that this email is virus-free. The Hartford Steam Boiler Inspection and Insurance Company (including its subsidiaries and affiliates) disclaims any and all liability for any loss or damage caused by this email whether due to viruses, interference, interception, data corruption, unapproved access, misrepresentation, or otherwise.

The Hartford Steam Boiler Inspection and Insurance Company

FILED

09-16-2020

John Barrett

Honorable Carl Ashley-33

2020CV005478

HSB
Branch 33
A Munich Re company

Thomas Schamens
Selective of Southeast
PO Box 7261
London, KY 40742

Jul 22, 2020

Michele Hodges
Senior Claims Service
Representative
HSB/Claims
Tel.: 484-582-1455
Email:
michele_hodges@hsb.com

Risk Solutions**RE:**

Insured: Jel Manufacturing LLC
HSB Claim #: 000639410 Your Claim #: 22095860
HSB Policy #: 1000469 Your Policy #: S 2416351
Date of Loss: Mar 23, 2020

Remit all correspondence to:

Email:
Claims_Documentation@hsb.com
Fax: (877) 472-4329

Locations:

3073 S Chase Ave
Milwaukee, WI 53207
United States of America

Main Address:
P.O. Box 61510
King of Prussia, PA 19406
Overnight mail:
595 E Swedesford Rd Ste 100
Wayne, PA 19087
www.hsb.com

Dear Thomas Schamens,

We have completed our investigation into the reported occurrence and have determined that a covered loss has not occurred.

A claim has been presented by the insured for an overhead crane remote control system, resulting in extra expenses to manually move product and overtime costs. Our investigation has revealed the overhead crane remote control system radio receiver diodes, resistors, and circuit board sustained electrical damages.

Our investigation has confirmed that the overhead crane remote control system is property of the insured's landlord, and not the insured's. Therefore, the insured does not have any responsibility for the repairs to the equipment. The equipment did sustain a covered accident, however, it is not the responsibility of the insured to repair.

Further, the resulting extra expenses incurred to manually move product through the plant and overtime costs does not meet the conditions under the insured's Service Interruption coverage.

The Equipment Breakdown Form, CP 7551 5/11, states the following:

A. ADDITIONAL COVERAGE — EQUIPMENT BREAKDOWN.

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident." As used in this Additional Coverage, "accident" means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:

- a. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
- b. Artificially generated electrical, magnetic or electromagnetic energy, including electric arcing, that damages, disturbs, disrupts or otherwise interferes with any electrical or electronic wire, device, appliance, system or network;

...

2. Unless otherwise shown in a Schedule, the following coverages also apply to the direct result of an "accident." These coverages do not provide additional amounts of insurance.

...

d. Service Interruption

(1) Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an "accident" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, propane gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.

(2) Unless otherwise shown in a Schedule, we will not pay for any loss of Business Income you sustain that results from the interruption of utility services during the first 24 hours following the "accident." However, if a deductible is shown in the Systems Power Pac Deductible Endorsement as provided for in **SECTION — II, Paragraph A.**, or if the "period of restoration" begins more than 24 hours after the time of the direct physical damage for Business Income, then that deductible or time period will apply instead of the 24 hours provided for in this paragraph.

(3) The most we will pay in any "one accident" for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense or Spoilage, except that if a limit is shown in a Schedule for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

Based on our investigation and the above policy wording, the resulting extra expenses due to the failure of the overhead crane remote control system do not

meet the definition of Service Interruption. As such we must respectfully disclaim any and all liability for the resulting extra expenses.

Our position is based on the information obtained during our investigation. If there is additional information that you feel we may not have considered, please advise us. We request that you review the property coverage for possible liability. In the event a denial of liability is in order, we request that you reserve all rights under the provisions and conditions of the policy. Should you have any questions or if we may be of any further assistance, please feel free to contact me in the above address.

Sincerely,

Michele Hodges

FILED

09-16-2020

John Barrett

Thomas Schamens
Selective Insurance Company of America
Mailing address for correspondence

P.O. Box 7361
Honorable Carl Ashley-33

London, KY 40742

Phone#: 317-818-6173

Fax#: 877-233-1004

Thomas.Schamens@selective.com

SELECTIVE

BE UNIQUELY INSUREDSM

July 24, 2020

Jel Manufacturing LLC
3073 S. Chase Ave.
Milwaukee, WI 53207-2638

RE:	Insured:	Jel Manufacturing LLC
	Our Claim Number:	22095860
	Selective Policy Number:	S2416351
	Policy Period:	12/14/2019-12/14/2020
	Date of Loss:	3/23/2020
	Company Name:	Selective Insurance Company of the Southeast
	NAIC:	39926

Dear Mr. Gladen,

I am a Claims Management Specialist employed by Selective Insurance Company of America, which is handling this claim on behalf of your insurance carrier, Selective Insurance Company of the Southeast (Selective). I am responsible for handling this claim and determining what coverage may be available under the terms of the insurance policy(ies) you purchased from Selective.

You have requested that Selective provide insurance coverage for the claim for damage to the overhead crane remote control system. That request was made under the insurance policy referenced above.

SUMMARY OF SELECTIVE'S POSITION

We have carefully evaluated the facts and circumstances of this claim. Unfortunately, we must advise you that the terms of the policy that you purchased from Selective do not afford insurance coverage for this claim. The purpose of this letter is to explain how we came to this decision. Obviously, if you feel we have reached this determination in error, please contact me so we can discuss this matter and I will be happy to answer any questions you may have.

However, if you should come into possession of new or different information you feel may cause Selective to change its decision; we will be pleased to review it.

EXHIBIT D

FACTS OF THIS CLAIM

Per the investigation completed by Hartford Steam Boiler, the crane and remote control are the property and responsibility of your building owner and the resulting extra expenses do not meet the definitions under the Service Interruption coverage.

SELECTIVE'S COVERAGE POSITION

Based upon our investigation we have identified certain provisions of your policy which are applicable to this claim. In this section, we will review those parts of your policy and explain why coverage is not available under the terms of the policy you purchased. The responding coverage that applies to this claim is found under the **SYSTEMS POWER PAC COVERAGE FORM (CP 75 51 05 11)**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:
**COMMERCIAL PROPERTY COVERAGE PART
SECTION — I**

The following is added as an Additional Coverage to the Causes of Loss
— Basic Form, Broad Form or Special Form.

A. ADDITIONAL COVERAGE - EQUIPMENT BREAKDOWN.

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident." As used in this Additional Coverage, "accident" means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:
 - a. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - b. Artificially generated electrical, magnetic or electromagnetic energy, including electric arcing, that damages, disturbs, disrupts or otherwise interferes with any electrical or electronic wire, device, appliance, system or network;
 - c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - d. Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or e. Loss or damage to hot water boilers or other water heating equipment caused by or

resulting from any condition or event inside such boilers or equipment.

2. Unless otherwise shown in a Schedule, the following coverages also apply to the direct result of an “accident.” These coverages do not provide additional amounts of insurance.

d. Service Interruption

- (1) Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an “accident” to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord’s utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, propane gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of “covered equipment” except that it is not Covered Property.
- (2) Unless otherwise shown in a Schedule, we will not pay for any loss of Business Income you sustain that results from the interruption of utility services during the first 24 hours following the “accident.” However, if a deductible is shown in the Systems Power Pac Deductible Endorsement as provided for in **SECTION — II, Paragraph A.**, or if the “period of restoration” begins more than 24 hours after the time of the direct physical damage for Business Income, then that deductible or time period will apply instead of the 24 hours provided for in this paragraph.
- (3) The most we will pay in any “one accident” for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense or Spoilage, except that if a limit is shown in a Schedule for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

C. DEFINITIONS

The following are added to **G. DEFINITIONS**:

2. “Covered equipment”

- a. **“Covered equipment”** means unless otherwise specified in a Schedule, Covered Property:
 - (1) That generates, transmits or utilizes energy; or
 - (2) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.
- b. None of the following is “covered equipment”:

- (1) Structure, foundation, cabinet, compartment or air supported structure or building;
 - (2) Insulating or refractory material;
 - (3) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler system;
 - (4) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - (5) "Vehicle" or any equipment mounted on a "vehicle";
 - (6) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
 - (7) Dragline, excavation or construction equipment;
 - (8) Equipment manufactured by you for sale; or
 - (9) Electronic data processing equipment, unless used to operate or control "covered equipment." Electronic Data Processing Equipment includes programmable electronic equipment that is used to store, retrieve and process data; and associated peripheral equipment.
6. **"One accident"** means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."

Based on our investigation and the information submitted to Hartford Steam Boiler for review and consideration under your **SYSTEMS POWER PAC** endorsement (CP 75 51 05 11) for which coverage has been disclaimed, the damaged equipment is not considered covered property as the crane and remote control are owned by your building owner. Please find enclosed a copy of Hartford Steam Boiler's denial letter.

Selective places a priority on handling claims promptly and fairly. However, we are required to advise you when the facts and circumstances involving a claim, or the provisions in your policy, raise questions concerning coverage. When that situation arises, we must expressly notify you when there is no applicable coverage afforded on a claim.

Selective Insurance Company's failure to reference any other policy provisions in this letter does not preclude it from doing so in the future. Selective does not waive any potentially applicable policy provisions that may apply to this loss. Should it learn or be advised of other facts with respect to this loss, Selective reserves the right to raise such other applicable policy provisions as may be proper.

Hopefully, this letter provides you with a clear explanation of Selective's position regarding your insurance coverage available for this claim. However, if you would like to discuss any aspect of this claim, I would be happy to discuss such matters with you. I can be reached at the phone number set forth above.

I am sorry that we were unable to reach a more favorable determination concerning this claim.

Sincerely,

Thomas L Schamens

Thomas Schamens
Claims Management Specialist - Domiciled in Wisconsin

Enclosure: Hartford Steam Boiler Denial Letter

cc: BWO Insurance Group LLC

Claims activities are conducted by employees of Selective Insurance Company of America, either on its own behalf or as the servicing carrier for the Selective insurer affiliate which issued the policy that corresponds to the claim referenced above.

FILED
09-16-2020
John Barrett
Clerk of Circuit Court
2020CV005478
Honorable Carl Ashley-33
Branch 33

On Thu, Jul 30, 2020 at 3:55 PM Anna Thomas <anna@bwainsurance.com> wrote:

Hi Matt,

This is the response I received from Selective, let me know your thoughts on this:

Hello Anna,

EXHIBIT E

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I spoke with Tinishia Harvey manager at HSB. HSB admits making a mistake on accepting coverage and the ensuing extra expense coverage; however during the final review process it was discovered that the crane was not insured owned and the crane does not meet the definition of a utility service that would trigger coverage for extra expenses. The insured would have incurred the extra expenses while the crane was out of service so HSB initially accepting liability did not cause the insured to incur any expenses due to the mistake.

HSB apologies for the confusion.

Thomas

Anna Thomas, CISR

Insurance Agent

414-501-1278 Office

262-210-2920 Mobile

"Celebrating 20 years in the Industry"

cid:image005.png@01D66752.95950980

<https://www.facebook.com/Anna-Thomas-Insurance-Advisor-591731797676784/>

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12 attachments

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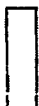


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FILED

09-16-2020

John Barrett

Clerk of Circuit Court

2020CV005478

Honorable Carl Ashley-33

Branch 33

SELECTIVE

BE UNIQUELY INSUREDSM

Thomas Schamens
Selective Insurance Company of America
Mailing address for correspondence

P.O. Box 7361
London, KY 40742
Phone#: 317-818-6173
Fax#: 877-233-1004

Thomas.Schamens@selective.com

August 12, 2020

Jel Manufacturing LLC
3073 S. Chase Ave.
Milwaukee, WI 53207-2638

RE:	Insured:	Jel Manufacturing LLC
	Our Claim Number:	22095860
	Selective Policy Number:	S2416351
	Policy Period:	12/14/2019-12/14/2020
	Date of Loss:	3/23/2020
	Company Name:	Selective Insurance Company of the Southeast
	NAIC:	39926

Dear Mr. Gladen,

I am a Claims Management Specialist employed by Selective Insurance Company of America, which is handling this claim on behalf of your insurance carrier, Selective Insurance Company of the Southeast (Selective). I am responsible for handling this claim and determining what coverage may be available under the terms of the insurance policy(ies) you purchased from Selective.

You have requested that Selective provide insurance coverage for the claim for damage to the overhead crane remote control system as well as additional expenses incurred by your organization as a result of the service interruption. That request was made under the insurance policy referenced above.

SUMMARY OF SELECTIVE'S POSITION

We have carefully reevaluated the facts and circumstances of this claim after our phone conference on August 7, 2020. Unfortunately, we must advise you that the terms of the policy that you purchased from Selective and administered by Hartford Steam Boiler do not afford insurance coverage for this claim. The purpose of this letter is to explain how we came to this decision. Obviously, if you feel we have reached this determination in error, please contact me so we can discuss this matter and I will be happy to answer any questions you may have.

However, if you should come into possession of new or different information you feel may cause Selective to change its decision; we will be pleased to review it.

FACTS OF THIS CLAIM

Per the investigation completed by Hartford Steam Boiler, the crane and remote control are the property and responsibility of your building owner and the resulting extra expenses do not meet the definitions under the Service Interruption coverage. The Service Interruption coverage was not triggered from an “accident” to equipment owned by a utility, landlord, a landlord’s utility, or other supplier who provides the insured with any of the following services listed under the Service Interruption coverage.

SELECTIVE’S COVERAGE POSITION

Based upon our investigation we have identified certain provisions of your policy which are applicable to this claim. In this section, we will review those parts of your policy and explain why coverage is not available under the terms of the policy you purchased. The responding coverage that applies to this claim is found under the **SYSTEMS POWER PAC COVERAGE FORM** (CP 75 51 05 11).

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:
COMMERCIAL PROPERTY COVERAGE PART
SECTION — I

The following is added as an Additional Coverage to the Causes of Loss
— Basic Form, Broad Form or Special Form.

A. ADDITIONAL COVERAGE - EQUIPMENT BREAKDOWN.

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an “accident.” As used in this Additional Coverage, “accident” means a fortuitous event that causes direct physical damage to “covered equipment.” The event must be one of the following:
 - a. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - b. Artificially generated electrical, magnetic or electromagnetic energy, including electric arcing, that damages, disturbs, disrupts or otherwise interferes with any electrical or electronic wire, device, appliance, system or network;
 - c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - d. Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition

- or event inside such equipment; or **e.** Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
- e.** Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
- 2.** Unless otherwise shown in a Schedule, the following coverages also apply to the direct result of an “accident.” These coverages do not provide additional amounts of insurance.

d. Service Interruption

- (1)** Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an “accident” to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord’s utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, propane gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of “covered equipment” except that it is not Covered Property.
- (2)** Unless otherwise shown in a Schedule, we will not pay for any loss of Business Income you sustain that results from the interruption of utility services during the first 24 hours following the “accident.” However, if a deductible is shown in the Systems Power Pac Deductible Endorsement as provided for in **SECTION — II, Paragraph A.**, or if the “period of restoration” begins more than 24 hours after the time of the direct physical damage for Business Income, then that deductible or time period will apply instead of the 24 hours provided for in this paragraph.
- (3)** The most we will pay in any “one accident” for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense or Spoilage, except that if a limit is shown in a Schedule for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.
- e. Business Income and Extra Expense**
- Any insurance provided under this coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a Business Income deductible is shown in the Systems Power Pac Deductible Endorsement as provided for in **SECTION — II, Paragraph A.**, then as

respects Equipment Breakdown coverage, the “period of restoration” will begin immediately after the “accident,” and the deductible shown in the Deductible Endorsement will apply.

The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in a Schedule.

C. DEFINITIONS

The following are added to **G. DEFINITIONS:**

2. “Covered equipment”

a. “Covered equipment” means unless otherwise specified in a Schedule, Covered Property:

- (1) That generates, transmits or utilizes energy; or
- (2) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

b. None of the following is “covered equipment”:

- (1) Structure, foundation, cabinet, compartment or air supported structure or building;
- (2) Insulating or refractory material;
- (3) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler system;
- (4) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (5) “Vehicle” or any equipment mounted on a “vehicle”;
- (6) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- (7) Dragline, excavation or construction equipment;
- (8) Equipment manufactured by you for sale; or
- (9) Electronic data processing equipment, unless used to operate or control “covered equipment.” Electronic Data Processing Equipment includes programmable electronic equipment that is used to store, retrieve and process data; and associated peripheral equipment.

6. “One accident” means: If an initial “accident” causes other “accidents,” all will be considered “one accident.” All “accidents” that are the result of the same event will be considered “one accident.”

Based on our investigation and the information submitted to Hartford Steam Boiler for review and consideration under your **SYSTEMS POWER PAC** endorsement (CP 75 51 05 11) for which coverage has been disclaimed, the damaged equipment is not considered covered property as the crane and remote control are owned by your building owner. Furthermore, there is no coverage for the Service Interruption as outlined above.

Selective places a priority on handling claims promptly and fairly. However, we are required to advise you when the facts and circumstances involving a claim, or the provisions in your policy, raise questions concerning coverage. When that situation arises, we must expressly notify you when there is no applicable coverage afforded on a claim.

Selective Insurance Company's failure to reference any other policy provisions in this letter does not preclude it from doing so in the future. Selective does not waive any potentially applicable policy provisions that may apply to this loss. Should it learn or be advised of other facts with respect to this loss, Selective reserves the right to raise such other applicable policy provisions as may be proper.

Hopefully, this letter provides you with a clear explanation of Selective's position regarding your insurance coverage available for this claim. However, if you would like to discuss any aspect of this claim, I would be happy to discuss such matters with you. I can be reached at the phone number set forth above.

I am sorry that we were unable to reach a more favorable determination concerning this claim.

Sincerely,

Thomas L Schamens

Thomas Schamens
Claims Management Specialist - Domiciled in Wisconsin

cc: BWO Insurance Group LLC - Anna Thomas <anna@bwoinsurance.com>
HSB - Tinishia_Harvey@hsb.com
Foslaw - Lauren E. Maddente <lemaddente@foslaw.com>

Claims activities are conducted by employees of Selective Insurance Company of America, either on its own behalf or as the servicing carrier for the Selective insurer affiliate which issued the policy that corresponds to the claim referenced above.